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# Annual Report 1970



Canada

***idb*** INDUSTRIAL  
DEVELOPMENT BANK

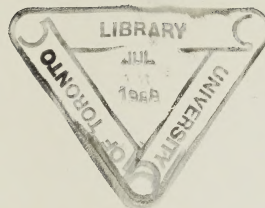












Head Office

Ottawa

December 9th, 1970

The Hon. E. J. Benson, P.C.,  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ended September 30th, 1970, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

*L. Rasmussen*

President

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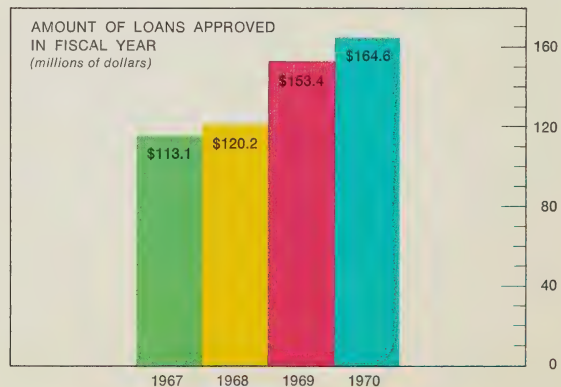
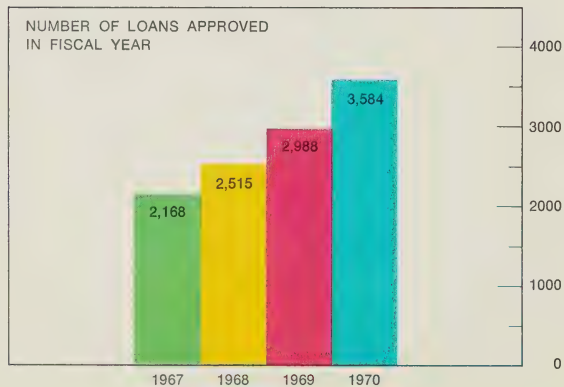
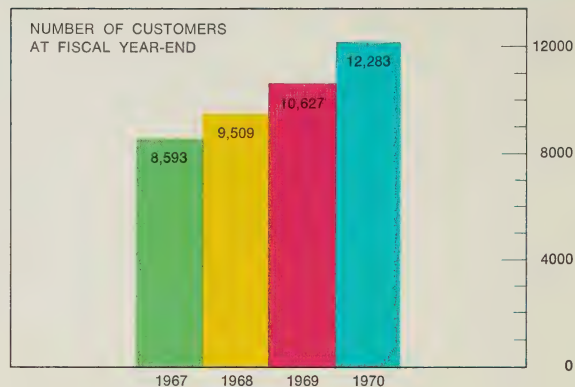
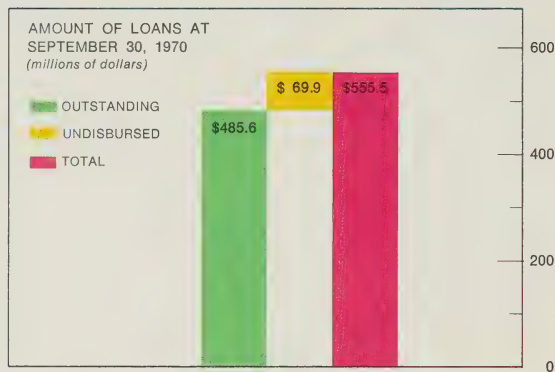
*The Industrial Development Bank lends to virtually any type of business to assist in starting, modernizing or expanding enterprises anywhere in Canada. The activities and facilities of some of the 12,000 businesses which are currently customers of the IDB are illustrated by the photographs in this report.*

Manufacturing precast concrete panels





# HIGHLIGHTS



## ANNUAL REPORT OF THE PRESIDENT—1970

At the end of its twenty-sixth year of operations on September 30th, 1970, the Industrial Development Bank had loans outstanding and committed to 12,283 businesses in all regions of Canada, totalling \$555.5 million. This compares with 10,627 businesses and \$488.7 million a year earlier.

These funds were borrowed by almost every type of business producing goods or services in the country to help start, modernize or expand. Since Parliament established the Bank in 1944, the IDB has loaned \$1,400 million to some 20,800 small and medium-size businesses needing financial assistance and unable to obtain it from other sources on reasonable terms and conditions.

In its 1970 fiscal year alone, the IDB authorized 3,584 loans for a total amount of \$164.6 million, compared with 2,988 loans for \$153.4 million in fiscal 1969. This represents an increase of nearly 20 per cent in number and some 7 per cent in amount.

A summary of the size distribution of loans made in fiscal 1970, the principal types of businesses receiving assistance, and the purposes for which the funds were used is shown on the following page with comparative figures for the two preceding fiscal years. The general pattern of the lending activities of the IDB has been roughly the same over the three years. The principal borrowing groups are manufacturing enterprises, wholesale and retail trade, and the tourist industry.

During the 1970 fiscal year, the IDB continued to fill its intended role of assisting with the financial needs of small businesses. Some 50.8 per cent of the loans authorized were for amounts of \$25,000 or less, a somewhat higher proportion than the year before. The average size of loan was \$46,000 in fiscal 1970, compared with \$51,000 in fiscal 1969.



Assembling lighting fixtures.



A significant number of businesses have obtained more than one loan from the IDB to help finance the growth and expansion of their operations. Many, of course, have been assisted to the point where subsequent financing could be obtained from conventional lenders, and some have become outstanding operators in their particular fields in Canada.

Over the past few years, a growing number of small businesses in the Yukon and Northwest Territories have become IDB customers. They are located in Inuvik, Whitehorse, Yellowknife, Baffin Island, and in other far northern communities. Fifty-two loans for \$3.0 million were made in the Yukon and Northwest Territories in fiscal 1970 and at the close of the fiscal year, September 30th, 1970, the IDB had \$6.8 million committed in loans to 107 businesses in the far North.

The tourist industry has been an important beneficiary of IDB lending. Over the past three years a total of 1,394 loans in the amount of \$69.2 million have been authorized to hotels, motels and other lodgings, restaurants and other eating places, and for a wide variety of recreation services. For many types of tourist enterprise in some areas, the IDB is the most significant and sometimes the sole source of finance.

In March, a new IDB office was opened at Lethbridge to serve the most southerly part of Alberta, which was previously served by the Calgary office. The Lethbridge office brings to thirty-two the number of branch offices;

<b>IDB LOANS BY SIZE</b>	<b>Fiscal 1968</b>	<b>Fiscal 1969</b>	<b>Fiscal 1970</b>
\$25,000 or less .....	46%	46%	51%
\$25,000 to \$100,000 .....	46	45	42
Over \$100,000 .....	8	9	7
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Average size of loan (\$000) .....	<u>48</u>	<u>51</u>	<u>46</u>

#### **IDB LOANS BY TYPE OF BUSINESS**

Manufacturing .....	29%	27%	23%
Transportation and storage .....	4	3	4
Construction .....	6	6	5
Agriculture .....	8	6	7
Wholesale and retail trade .....	23	24	24
Tourist industry .....	14	18	18
Other .....	16	16	19
	<u>100%</u>	<u>100%</u>	<u>100%</u>

#### **PURPOSES OF CUSTOMERS' PROGRAMS**

Land and buildings .....	56%	53%	53%
Machinery and equipment .....	23	25	23
Increase in working capital .....	9	9	11
Refinancing of mortgages, liens, etc. ....	7	6	6
Changes of ownership .....	4	6	6
All other programs .....	1	1	1
(In fiscal 1970, these programs required total financing of \$242.4 million of which the IDB supplied \$164.6 million or 68%)	<u>100%</u>	<u>100%</u>	<u>100%</u>









these, and the five regional offices, are listed on pages 27 and 28.

The Bank is constantly striving to make its services known and available to businessmen in Canada wherever located. IDB representatives carry on a regular program of periodic visits to communities in which the Bank does not have a branch office. These visits are advertised in advance, and businessmen are invited to discuss their financing proposals with the representatives of the Bank on the spot. All branch offices participate in this program; in the 1970 fiscal year, some 1,250 advertised visits were made to 337 centres in all parts of Canada.

IDB officers also welcome opportunities to address service clubs, trade associations, and other organizations, and to attend meetings of various groups to explain the facilities the Bank has to offer. In fiscal 1970, representatives made 98 speeches and attended 176 meetings throughout the length and breadth of the country.

In the past fiscal year some 25,000 copies of a booklet describing the functions of the Bank were made available to the public. The booklet is featured in the series of advertisements of the Bank appearing in representative newspapers and business publications.

Statements of income and expense and the year-end balance sheets for the fiscal years 1969 and 1970 appear on pages 20, 22 and 23.

Loan disbursements totalled \$151.0 million in fiscal 1970, compared with \$122.4 million in fiscal 1969. Repayments amounted to \$81.3 million, \$7 million more



Harvesting grain.

than the previous year. Debentures were sold in the amount of \$62.6 million and \$2 million was obtained from the issue of share capital; these transactions took place with the Bank of Canada which owns the entire share capital of the IDB.

Income at \$38.9 million was 25 per cent greater than in the previous year. Interest on debentures rose by 30 per cent (reflecting the rise in the general level of interest rates as well as the increase in the amount of debentures outstanding) and operating expenses by 15 per cent. The IDB's minimum lending rate on new loans during the year was 10 per cent, with higher interest rates applied to larger loans. Net income before provision for losses was \$2.6 million compared with \$2.1 million in fiscal 1969.

Income and expenses are shown below for the past five years, calculated as percentages of loans and investments outstanding during the respective years:

	Fiscal 1966	Fiscal 1967	Fiscal 1968	Fiscal 1969	Fiscal 1970
Income . . . . .	7.18%	7.40%	7.67%	7.92%	8.59%
Operating costs .	2.32	2.22	2.22	2.26	2.25
Cost of debentures . . .	4.16	4.38	4.67	5.12	5.77
Net income before provision for losses . . . . .	.70	.80	.78	.54	.57

Bad debts totalling \$892,252 were written off out of Reserve for Losses during the year, and \$44,780 pre-

viously written off was recovered. The amount of \$2,097,472 was appropriated from income to Reserve for Losses, which stood at \$10,500,000 at the year-end.

The balance of income for fiscal 1970, amounting to \$500,332 after provision for bad and doubtful debts was added to the Reserve Fund, raising it to \$21,240,425.

During the year, the Bank adopted a policy for the continuous employment of surplus cash by purchasing short-term Government of Canada Treasury Bills. The year-end Treasury Bill Balance is shown in the Statement of Assets and Liabilities, as is the item, Outstanding Cheques, representing loan proceeds disbursed but not processed. The practice previously followed resulted in a netting off of outstanding cheques against cash assets.

At the end of the 1970 fiscal year, the staff of the Bank numbered 729 compared with 708 at the previous year-end. The staff is comprised of men and women with the various skills required to assess proposals for IDB financing and to conduct its operations in an expeditious and efficient manner. It is with great satisfaction that I express, on behalf of the Directors, our sincere appreciation to the staff for their fine efforts during the past year.





## LOAN APPROVALS during fiscal years ended September 30



Buffing auto wheel discs.

	NUMBER
	1965
CLASSIFICATION BY NEW OR EXISTING BORROWERS:	
To new borrowers .....	1,602
To existing borrowers .....	607
Total .....	<u>2,209</u>
CLASSIFICATION BY SIZE:	
\$ 5,000 or less .....	76
Over 5,000 to 25,000 .....	1,072
Over 25,000 to 50,000 .....	565
Over 50,000 to 100,000 .....	378
Over 100,000 to 200,000 .....	81
Total up to \$200,000 .....	2,172
Over \$200,000 .....	37
Total .....	<u>2,209</u>
Average size .....	
CLASSIFICATION BY PROVINCE:	
Newfoundland .....	46
Prince Edward Island .....	7
Nova Scotia .....	51
New Brunswick .....	62
Quebec .....	485
Ontario .....	685
Manitoba .....	165
Saskatchewan .....	153
Alberta .....	256
British Columbia .....	292
Yukon .....	4
N. W. Territories .....	3
Total .....	<u>2,209</u>

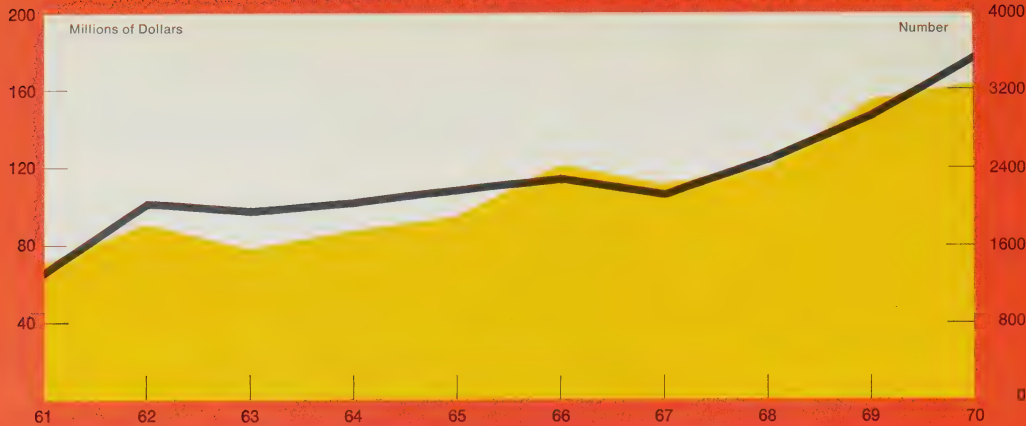
1966	1967	1968	1969	1970
642	1,561	1,850	2,177	2,735
692	607	665	811	849
<u>1,334</u>	<u>2,168</u>	<u>2,515</u>	<u>2,988</u>	<u>3,584</u>
70	56	44	66	98
988	928	1,107	1,304	1,724
609	580	670	792	926
449	407	481	547	564
159	145	164	193	196
<u>2,275</u>	<u>2,116</u>	<u>2,466</u>	<u>2,902</u>	<u>3,508</u>
59	52	49	86	76
<u>1,334</u>	<u>2,168</u>	<u>2,515</u>	<u>2,988</u>	<u>3,584</u>

45	31	31	38	81
10	8	17	16	34
56	45	44	92	116
59	60	63	120	85
450	404	461	541	601
752	824	833	863	978
144	83	127	111	101
150	111	129	123	112
301	257	289	300	330
358	330	493	751	1,094
1	7	17	22	23
8	8	11	11	29
<u>1,334</u>	<u>2,168</u>	<u>2,515</u>	<u>2,988</u>	<u>3,584</u>

AMOUNT (\$000)

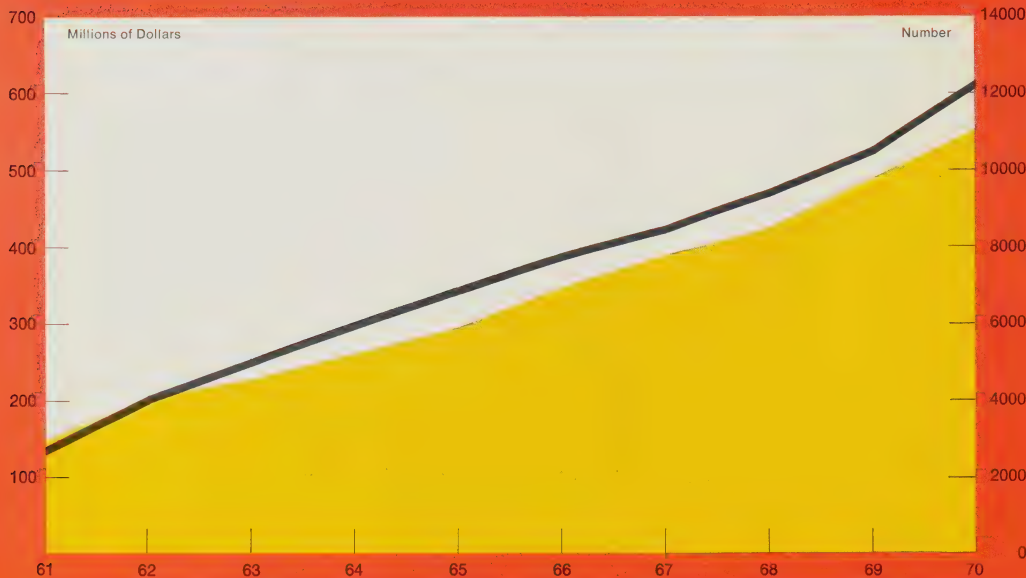
1965	1966	1967	1968	1969	1970
69,936	90,968	80,580	90,687	108,502	122,920
26,210	31,679	32,552	29,566	44,938	41,708
<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>
306	287	237	192	281	405
17,011	15,572	15,337	18,717	22,171	29,092
21,782	23,422	22,065	25,878	30,792	36,990
28,214	33,210	29,478	35,215	40,753	42,922
11,948	23,783	20,856	22,978	27,365	27,819
<u>79,261</u>	<u>96,274</u>	<u>87,973</u>	<u>102,980</u>	<u>121,362</u>	<u>137,228</u>
16,885	26,373	25,159	17,273	32,078	27,400
<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>
44	53	52	48	51	46

1,588	1,508	1,092	1,315	1,290	2,100
278	373	515	355	447	804
2,356	2,375	1,516	1,565	3,692	3,750
1,794	2,719	3,084	2,124	5,119	3,521
25,489	31,935	20,780	24,484	34,607	31,910
30,158	42,646	39,006	41,579	45,003	46,490
5,855	6,329	3,873	5,912	5,072	5,440
4,742	6,447	4,962	5,054	4,855	3,513
8,980	10,968	17,013	13,463	15,161	15,472
14,647	16,907	19,914	22,022	36,248	48,579
184	75	896	688	1,253	1,087
75	365	481	1,692	693	1,962
<u>96,146</u>	<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>



### LOAN APPROVALS During Fiscal Years Ended September 30

- AMOUNT (left-hand scale)
- NUMBER (right-hand scale)



### LOANS ON THE BOOKS As at Fiscal Year End September 30

- AMOUNT OUTSTANDING OR COMMITTED (left-hand scale)
- NUMBER OF CUSTOMERS (right-hand scale)



## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1970		Total Authorizations November 1, 1944 to September 30, 1970	
	Number of Busi- nesses	Amounts Out- standing or Committed (\$000)	Number of Businesses	Amounts (\$000)
Newfoundland .....	222	6,902	378	17,054
Prince Edward Island .....	72	1,927	117	9,511
Nova Scotia .....	324	11,347	563	31,027
New Brunswick .....	350	14,050	674	35,983
Quebec .....	2,327	125,808	4,003	349,859
Ontario .....	3,764	165,385	6,685	447,038
Manitoba .....	591	23,368	1,164	69,848
Saskatchewan .....	629	20,677	1,012	51,481
Alberta .....	1,380	57,929	2,361	133,875
British Columbia .....	2,517	121,296	3,740	242,849
Yukon .....	59	3,333	81	4,832
N. W. Territories .....	48	3,517	71	7,197
Total .....	<u>12,283</u>	<u>555,539</u>	<u>20,849</u>	<u>1,400,554</u>

## SUMMARY STATISTICS OF LOANS *for fiscal years ended September 30*

<i>(Millions of Dollars)</i>	1965	1966	1967	1968	1969	1970
Amounts drawn down by borrowers .....	80.8	98.0	96.3	105.4	122.4	151.0
Repayments by borrowers .....	49.8	54.8	60.5	69.0	74.1	81.3
Amounts written off (net)						
Principal .....	.4	.3	.6	.4	.4	.4
Interest .....	(.2)	(.1)	(.1)	(.1)	—	—
Increase in amounts outstanding .....	30.6	42.9	35.2	36.0	47.9	69.3
Amounts outstanding at year-end .....	254.3	297.2	332.4	368.4	416.3	485.6
Amounts not yet disbursed at year-end on loans authorized .....	42.6	52.5	55.1	57.7	72.4	69.9
Amounts outstanding plus undisbursed at year-end .....	296.9	349.7	387.5	426.1	488.7	555.5
Number of customers on the books at year- end .....	6,961	7,868	8,593	9,509	10,627	12,283
Average amount outstanding plus undisburs- ed per customer (thousands of dollars) ...	43	44	45	45	46	45

## CLASSIFICATION OF LOAN APPROVALS



Shipping farm machinery.

Manufacturing:	
Foods and beverages	.....
Tobacco and tobacco products	.....
Rubber products	.....
Leather products	.....
Textile products (except clothing)	.....
Clothing (textiles and fur)	.....
Wood products	.....
Paper products (including pulp)	.....
Printing and allied industries	.....
Iron and steel products (including machinery and equipment)	.....
Transportation equipment	.....
Non-ferrous metal products	.....
Electrical apparatus and supplies	.....
Non-metallic mineral products	.....
Products of petroleum and coal	.....
Chemical products	.....
Miscellaneous manufacturing industries	.....
Commercial air services	.....
Warehousing (including refrigeration)	.....
Other transportation and storage	.....
Electric power, gas, water utilities	.....
Mines (incl. milling), quarries, oil wells	.....
Construction	.....
Industrial buildings	.....
Personal services	.....
Forestry	.....
Wholesale trade	.....
Retail trade	.....
Education and health services	.....
Recreation services	.....
Services to business management	.....
Miscellaneous services	.....
Agriculture	.....
Fishing and trapping	.....
Communications	.....
Laundries, cleaners and pressers	.....
Restaurants and other eating places	.....
Hotels, motels and other lodgings	.....
Theatres, bowling alleys, billiard halls	.....

(Enterprises engaged in more than one type of business are classified according to major activity.)

# Y TYPE OF BUSINESS during fiscal years ended September 30

## NUMBER

1965	1966	1967	1968	1969	1970
151	153	125	137	138	120
1	1	—	1	—	1
4	13	5	6	17	10
18	17	13	8	13	13
26	22	24	19	21	18
49	35	35	27	35	28
119	147	102	100	126	144
13	14	22	7	18	18
55	70	48	56	55	62
191	208	171	199	195	211
20	20	22	31	30	34
9	8	7	11	7	8
19	15	17	18	17	21
49	43	34	41	39	52
2	2	2	—	—	5
22	18	19	24	22	21
53	57	47	50	65	71
23	16	25	21	23	20
9	8	10	5	9	10
92	76	63	77	77	96
3	3	7	6	4	12
25	25	18	17	21	25
130	142	127	157	174	194
38	62	79	145	201	222
7	15	23	14	25	28
4	7	16	11	6	15
195	196	159	154	204	220
321	338	342	430	501	639
9	15	20	48	34	66
29	34	31	42	39	57
16	24	31	28	40	57
43	43	46	53	57	79
205	185	169	199	194	246
6	3	7	11	13	21
9	18	17	7	16	13
39	41	32	47	56	74
75	95	91	110	173	254
105	129	147	184	299	374
25	16	15	14	24	25

## AMOUNT (\$000)

1965	1966	1967	1968	1969	1970
8,655	10,787	7,411	7,423	8,682	7,938
74	50	—	40	—	32
192	971	252	206	1,141	855
644	793	577	364	809	434
4,481	2,176	1,777	2,375	1,697	1,743
2,102	2,158	2,727	1,444	2,439	1,510
6,321	11,653	7,078	4,825	8,068	9,454
1,454	1,837	1,516	272	2,609	1,279
1,775	3,888	2,636	2,036	3,083	2,276
9,660	14,167	9,297	11,121	12,764	14,058
844	1,018	1,215	1,788	1,704	2,073
336	828	841	484	439	635
1,200	918	1,687	1,358	1,143	928
3,342	3,788	1,361	3,049	2,474	2,477
60	155	152	—	—	317
804	677	745	1,429	1,845	1,282
2,894	2,775	1,939	1,992	3,114	3,663
845	1,903	6,040	833	1,351	974
521	472	916	275	602	896
5,492	3,733	6,255	4,456	6,775	4,596
70	43	154	195	165	592
1,102	1,986	1,129	1,123	1,529	1,182
4,527	5,699	4,945	6,163	7,181	7,799
1,836	2,850	4,443	10,026	10,749	12,318
362	446	706	616	773	576
176	281	661	257	193	566
6,796	9,491	8,129	6,992	10,322	10,978
9,026	12,272	13,455	14,781	17,225	21,520
696	1,159	1,189	1,912	2,143	3,664
1,031	1,639	1,504	1,876	2,115	2,620
498	881	716	801	1,594	1,731
1,164	1,480	2,116	1,969	1,591	2,352
7,118	6,876	6,121	8,355	7,865	9,534
350	65	143	208	195	359
468	890	1,075	365	778	616
1,374	1,223	1,059	2,086	1,572	2,429
2,077	3,506	3,304	4,126	7,135	9,242
4,839	6,553	7,019	12,261	18,594	17,826
940	560	842	371	982	1,304

2,209      2,334      2,168      2,515      2,988      3,584

96,146      122,647      113,132      120,253      153,440      164,628





Restaurant kitchen.

## INCOME AND EXPENSE Year ended September 30

### INCOME

Interest .....	
Profit on sale of investments .....	
Sundry .....	

### EXPENSE

Salaries <sup>(1)</sup> .....	
Pension fund, unemployment insurance and group insurance .....	
Other staff expenses <sup>(2)</sup> .....	
Investigation and supervision expenses .....	
Travel and transfer expenses .....	
Rental and other costs — leased premises .....	
Depreciation on equipment .....	
Advertising .....	
Other public information <sup>(3)</sup> .....	
Telephone and telegrams .....	
Office supplies and expenses .....	
Directors' fees .....	
Auditors' fees and expenses .....	
All other operating expenses .....	
Total operating expenses .....	
Interest on debentures (including amortization of discount and premium) .....	
Provision for losses .....	

Balance of income transferred to reserve fund .....

(1) The number of staff averaged 731 in 1970 and 692 in 1969.

(2) Includes overtime pay, medical services and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for"

## RESERVES

(\$000)	(\$000)
1970	1969
\$38,251	\$30,569
7	40
618	501
<u>38,876</u>	<u>31,110</u>
6,834	6,022
643	614
141	126
141	126
454	328
901	743
108	97
102	130
135	96
231	189
340	268
13	10
20	20
114	97
<u>10,177</u>	<u>8,866</u>
26,102	20,107
2,097	1,764
<u>38,376</u>	<u>30,737</u>
<u>\$ 500</u>	<u>\$ 373</u>

### STATEMENT OF RESERVE FUND

Year ended September 30, 1970 (with comparative figures for 1969)

	(\$000)	(\$000)
	1970	1969
Balance, beginning of year	\$20,740	\$20,367
Balance of income for the year	500	373
Balance, end of year	<u>\$21,240</u>	<u>\$20,740</u>

### STATEMENT OF RESERVE FOR LOSSES

Year ended September 30, 1970

		(\$000)
Balance, beginning of year		\$ 9,250
Add:		
Recovery of amounts previously written off	\$ 45	
Provision for bad and doubtful debts for the year ended September 30, 1970	2,097	2,142
		<u>11,392</u>
Less:		
Bad debts written off		892
Balance, end of year		<u>\$10,500</u>

## STATEMENT OF ASSETS AND

### ASSETS

Cash .....	
Government of Canada Treasury Bills .....	
Loans and investments .....	
Accrued interest .....	
Property held for sale .....	
Liability of others on guarantees and underwriting agreements (as per contra) .....	
Other assets .....	

NOTE: Amounts not disbursed at September 30, 1970 on loans and investments authorized, \$69,985,231 (1969 — \$72,407,543).

L. RASMINSKY

President

A. J. NORTON

Chief Accountant



Automated production of butter tarts.



# LIABILITIES AS AT SEPTEMBER 30, 1970 (with comparative figures for 1969)

## LIABILITIES

1970	1969		1970	1969
\$ —	\$ 108,552	Cheques outstanding (less cash) .....	\$ 5,451,808	\$ —
4,894,673	—	Debentures outstanding .....	394,100,000	331,500,000
487,157,081	418,908,136	Accrued interest on debentures .....	12,263,996	9,702,951
2,469,135	1,721,981	Liabilities under guarantees and underwriting agreements .....	13,975	13,975
2,544,800	1,473,397	Other liabilities .....	1,118,024	1,193,709
		Debenture premium and discount less amortization .....	264,853	(395,195)
13,975	13,975	Reserve for losses .....	10,500,000	9,250,000
873,417	779,492	Capital:		
		Capital stock — authorized 750,000 shares par value \$100 each; issued and outstanding — 1970, 530,000 shares; 1969, 510,000 shares .....	53,000,000	51,000,000
		Reserve Fund .....	21,240,425	20,740,093
			74,240,425	71,740,093
<u>\$497,953,081</u>	<u>\$423,005,533</u>		<u>\$497,953,081</u>	<u>\$423,005,533</u>

## AUDITORS' REPORT

We have examined the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1970 and the statements of income and expense and of reserve fund for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Bank as at September 30, 1970 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A. JOHN LITTLE, F.C.A.  
of Clarkson, Gordon & Co.

Ottawa, October 26, 1970

MAURICE SAMSON, C.A.  
of Samson, Bélair, Côté,  
Lacroix et Associés

## BOARD OF DIRECTORS

*L. Rasminsky, C.C., C.B.E.	Ottawa, Ont.
*J. R. Beattie	Ottawa, Ont.
P. A. Archibald	Antigonish, N.S.
E. G. Byrne, Q.C.	Bathurst, N.B.
R. W. Campbell	Calgary, Alta.
W. R. Jenkins	Charlottetown, P.E.I.
*S. Kanee	Winnipeg, Man.
S. G. Lake	Burgeo, Nfld.
*J. L. Lewtas, Q.C.	Toronto, Ont.
D. F. Matheson	Yorkton, Sask.
*S. S. Reisman	Ottawa, Ont.
M. Riel, Q.C.	Montreal, Que.
D. W. Slater	Toronto, Ont.
*J. Taschereau	Quebec, Que.
A. Walton	Vancouver, B.C.
*J. H. Warren	Ottawa, Ont.

\*Member of the Executive Committee

Manufacturing pianos.





# OFFICERS

President . . . . .	L. Rasminsky, c.c., c.b.e.	
General Manager . . . . .	E. R. Clark . . . . .	Montreal
Assistant General Manager . . . . .	C. E. DeAthe . . . . .	Montreal
Assistant General Manager . . . . .	H. J. C. Russell . . . . .	Montreal
Assistant General Manager, Atlantic Region . . . . .	K. A. Powers . . . . .	Halifax
Assistant General Manager, Quebec Region . . . . .	Lucien Viau . . . . .	Montreal
Assistant General Manager, Central Region . . . . .	W. C. Stuart . . . . .	Toronto
Assistant General Manager, Prairie Region . . . . .	J. C. Ingram . . . . .	Winnipeg
Assistant General Manager, British Columbia Region . . . . .	J. E. Millard . . . . .	Vancouver
Secretary . . . . .	G. Hamilton . . . . .	Ottawa
Deputy Secretary . . . . .	P. D. Smith . . . . .	Ottawa
Chief Accountant . . . . .	A. J. Norton . . . . .	Ottawa
Auditor . . . . .	R. F. Hirsch . . . . .	Ottawa
Superintendent, Credits . . . . .	G. R. Elliott . . . . .	Montreal
Assistant Superintendent, Credits . . . . .	Miss M. A. Sprott . . . . .	Montreal
Superintendent, Personnel . . . . .	P. F. Limoges . . . . .	Montreal
Assistant Superintendent, Personnel . . . . .	J. B. S. Oldaker . . . . .	Montreal
Personnel Officer . . . . .	J. A. McKee . . . . .	Montreal
Assistant Personnel Officer . . . . .	Miss G. Trépanier . . . . .	Montreal
Administrative Assistant . . . . .	C. R. T. Bingley . . . . .	Montreal
Controller . . . . .	R. L. McLean . . . . .	Montreal
Assistant Controller . . . . .	R. G. Forsythe . . . . .	Montreal
Assistant Controller . . . . .	J. E. Evans . . . . .	Montreal
General Solicitor . . . . .	H. M. Scott . . . . .	Montreal
Associate General Solicitor . . . . .	Guy Bousquet, q.c. . . . .	Montreal
Chief Engineer . . . . .	E. C. Scott . . . . .	Montreal
Chief, Insurance Department . . . . .	W. L. Mundy . . . . .	Montreal
Industrial Research Officer . . . . .	L. E. Barclay . . . . .	Ottawa
Deputy Secretary . . . . .	C. I. Stuart . . . . .	Montreal
Deputy Secretary . . . . .	G. R. d'Artois . . . . .	Montreal
Information Officer . . . . .	J. W. Sivers . . . . .	Montreal

## OFFICERS (continued)

### REGIONAL AND BRANCH OFFICES

#### ATLANTIC REGION

##### Regional Office

St. John's  
Halifax

Saint John  
Moncton

Assistant General Manager:  
K. A. Powers  
Supervisor: J. G. Kenna  
Manager: E. A. Duddle  
Manager: W. Y. Torrance  
Assistant Manager: H. W. Clarke  
Manager: J. A. Sutherland  
Manager: J. P. Michaud

1583 Hollis Street, Halifax  
1583 Hollis Street, Halifax  
85 Elizabeth Avenue  
1583 Hollis Street  
75 Prince William Street  
236 St. George Street

#### QUEBEC REGION

##### Regional Office

Rimouski  
Quebec

Chicoutimi (Sub-Branch to Quebec)  
Trois-Rivières  
Montreal (North)

Assistant General Manager:  
Lucien Viau  
Supervisor: J. E. Nordin  
Assistant Supervisors:  
G. Bourbonnière, J. M. Dunbar  
Manager: M. Dépot  
Manager: J. Lagacé  
Assistant Manager: G. H. Bourque  
Manager: J. Y. Bernier  
Manager: J. Y. Millette  
Assistant Managers:  
J. A. Clinton, J. C. Martin

901 Victoria Square, Montreal  
901 Victoria Square, Montreal  
320 St. Germain Street, East  
925 Chemin St. Louis  
152 Racine Street, East  
550 Bonaventure Street  
110 Cremazie Boulevard West, Montreal

Rouyn-Noranda (Sub-Branch to Montreal (North))  
Montreal (South)

Sherbrooke  
Ottawa

Manager: G. W. Madore  
Assistant Managers:  
H. P. Carmichael, J. R. Leduc  
Manager: C. L. L'Espérance  
Manager: P. H. Johnson  
Assistant Manager: B. Hryniowski

155 Dallaire Avenue, Rouyn  
800 Victoria Square, Montreal  
1845 King Street, West  
238 Sparks Street

#### CENTRAL REGION

##### Regional Office

Metropolitan Toronto

Mid-Ontario

Assistant General Manager:  
W. C. Stuart  
Supervisor: E. A. Bell  
Assistant Supervisors:  
K. K. Hay-Roe, W. H. Jay  
Manager: I. D. MacLaren  
Assistant Managers:  
R. J. Collins, R. A. Lewis  
Manager: R. T. Mactavish  
Assistant Managers:  
J. R. Bernard, R. W. Parker

250 University Avenue, Toronto  
250 University Avenue, Toronto  
250 University Avenue, Toronto  
250 University Avenue, Toronto

## OFFICERS (continued)

### CENTRAL REGION (continued)

Hamilton

Manager: J. T. Horne  
Assistant Manager: J. R. Sugden

20 Hughson Street, South

Kitchener-Waterloo

Manager: K. W. Bolam  
Assistant Manager: D. C. Sedgwick

305 King Street, West, Kitchener

London

Manager: C. B. Ready  
Assistant Manager: J. P. Roberts

291 Dundas Street

Windsor

Manager: R. V. Crank

500 Ouellette Avenue

Sudbury

Manager: J. O. Skerry  
Assistant Manager: K. G. Hopper

96 Larch Street

Thunder Bay

Manager: R. J. Kenny

106 Centennial Square

### PRAIRIE REGION

(including Northwest Territories)

Assistant General Manager:  
J. C. Ingram

1 Lombard Place, Winnipeg

Regional Office

Supervisor: R. H. Wheeler  
Assistant Supervisor: C. V. Spielman

1 Lombard Place, Winnipeg

Winnipeg

Manager: D. A. Kerley  
Assistant Manager: R. J. Clinchy

360 Broadway

Regina

Manager: G. J. Hiltz

2220 - 12th Avenue

Saskatoon

Manager: D. S. Brown

406 - 21st Street, East

Lethbridge

Manager: T. F. Ching

740 - 4th Avenue, South

Calgary

Manager: H. W. Baker  
Assistant Managers:  
N. L. Crowe, J. W. Melymick

404 Sixth Avenue, S.W.

Edmonton

Manager: O. H. Morgan  
Assistant Managers:  
R. J. McGregor, L. A. Zachary

601 Chancery Hall

### BRITISH COLUMBIA REGION

(including Yukon Territory)

Assistant General Manager:  
J. E. Millard

900 West Hastings Street, Vancouver

Regional Office

Supervisor: L. F. Smith  
Assistant Supervisor: N. J. Weedmark

900 West Hastings Street, Vancouver

Kelowna

Manager: M. D. Rudkin  
Assistant Manager: M. Kartasheff

1460 Pandosy Street

Prince George

Manager: J. G. Wilson  
Assistant Manager: K. E. Neilson

1320 Fifth Avenue

New Westminster

Manager: M. T. Collins  
Assistant Manager: R. W. Gray

765 - 6th Street

Vancouver

Manager: R. B. Thomas  
Assistant Managers:  
G. C. Hamilton, K. R. Miller

885 Dunsmuir Street

Victoria

Manager: R. P. Dohan  
Assistant Manager: M. Gumphrich

777 Broughton Street

Cutting meat in  
cold storage room.





## SUMMARY OF OPERATIONS 1944-1970



Commercial laundry.

### Fiscal years ended September 30

#### LOANS AND INVESTMENTS

Authorized during period .....	
Less: cancellations and reductions .....	
Net authorizations .....	
Disbursements .....	
Less: repayments and write-offs .....	
Increase in amounts outstanding .....	

#### INCOME AND EXPENSE

Income from loans and investments .....	
Other income .....	
Total income .....	
Operating expenses .....	
Salaries and other staff expenses .....	
Other .....	
Total operating expenses .....	
Cost of debentures .....	
Net income before provision for losses .....	
of which:	
Appropriated to reserve for losses .....	
Transferred to reserve fund .....	

#### WRITE-OFFS

Bad debts written-off, net .....	
----------------------------------	--

#### YEAR-END BALANCE SHEET

Loans and investments, including agreements for sale .....	
All other assets .....	
Total assets .....	
Capital, issued and paid up .....	
Reserve fund .....	
Reserve for losses .....	
Debentures outstanding .....	
All other liabilities .....	
Total liabilities .....	

ousands of dollars)

November 1944 to 1962	1963	1964	1965	1966	1967	1968	1969	1970	Cumulative Total
464,236	79,961	88,501	96,246	122,664	113,442	120,279	153,440	164,628	1,403,397
65,064	13,317	10,627	12,418	14,771	14,223	12,171	16,353	16,089	175,033
399,172	66,644	77,874	83,828	107,893	99,219	108,108	137,087	148,539	1,228,364
359,936	74,208	69,534	81,141	98,143	96,631	105,466	122,376	150,961	1,158,397
195,011	38,241	46,198	50,224	55,181	61,197	69,721	74,596	81,696	672,065
164,925	35,967	23,336	30,917	42,962	35,434	35,745	47,780	69,265	486,332
51,011	12,251	14,246	16,638	19,293	22,863	26,396	30,575	38,257	231,530
4,035	378	414	469	482	583	659	535	619	8,174
55,046	12,629	14,660	17,107	19,775	23,446	27,055	31,110	38,876	239,704
14,198	3,410	3,578	3,884	4,794	5,300	5,915	6,758	7,618	55,459
4,774	1,241	1,328	1,411	1,596	1,746	1,912	2,108	2,559	18,671
18,972	4,651	4,906	5,295	6,390	7,046	7,827	8,866	10,177	74,130
15,682	6,556	7,891	9,549	11,457	13,875	16,478	20,107	26,102	127,697
20,392	1,422	1,863	2,263	1,928	2,525	2,750	2,137	2,597	37,877
4,467	729	998	1,323	1,393	1,891	1,976	1,764	2,097	
15,925	693	865	940	535	634	774	373	500	
1,368	129	198	573	393	641	726	1,264	847	6,139
200,928	224,267	255,154	298,178	334,328	370,916	418,908	487,157		
3,642	5,144	6,877	6,935	6,477	8,031	4,097	10,796		
204,570	229,411	262,031	305,113	340,805	378,947	423,005	497,953		
33,000	35,000	38,000	41,000	44,000	47,000	51,000	53,000		
16,618	17,483	18,423	18,958	19,592	20,367	20,740	21,240		
3,700	4,500	5,250	6,250	7,500	8,750	9,250	10,500		
147,600	168,100	195,400	232,800	262,500	293,600	331,500	394,100		
3,652	4,328	4,958	6,105	7,213	9,230	10,515	19,113		
204,570	229,411	262,031	305,113	340,805	378,947	423,005	497,953		







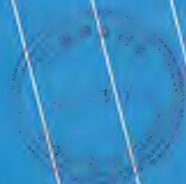


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# ANNUAL REPORT 1971

*idb* INDUSTRIAL  
DEVELOPMENT BANK



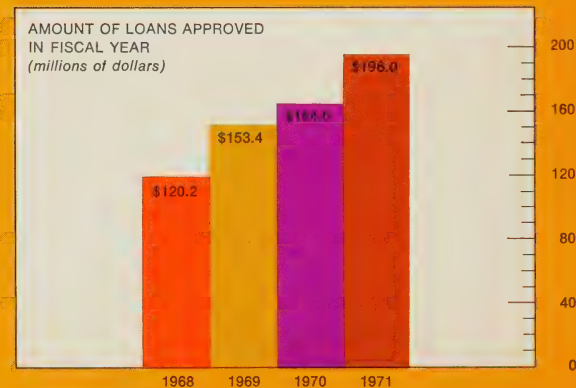
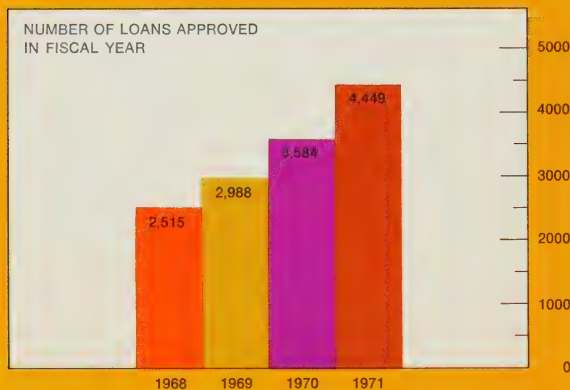
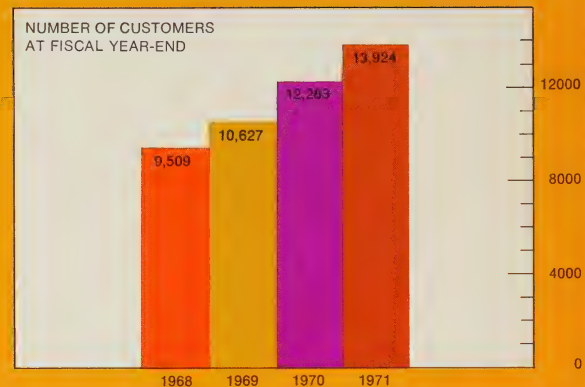
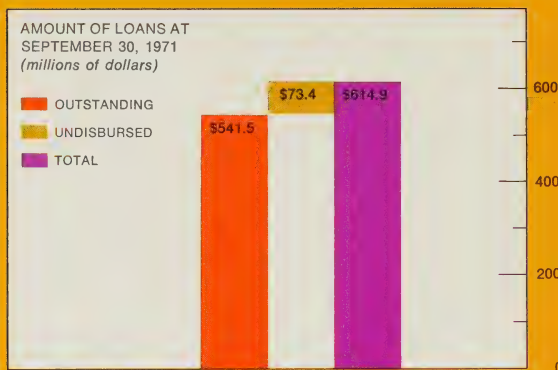






Established by Parliament in 1944, the Industrial Development Bank provides capital assistance to new or existing business enterprises in Canada, particularly those of smaller size, which may reasonably be expected to prove successful but which are unable to obtain such financing elsewhere on reasonable terms and conditions. The activities and facilities of some of the 13,900 businesses which are currently customers of the IDB are illustrated by the photographs in this report.

## Highlights



Head Office

Ottawa

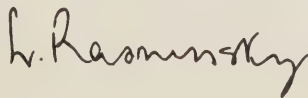
December 9th, 1971

The Hon. E. J. Benson, P.C.,  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ended September 30th, 1971, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

A handwritten signature in dark ink, appearing to read "L. Rasmussen". The signature is fluid and cursive, with a large initial "L" and a stylized "R".

President



# Contents

## 2 Highlights

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## 16 Charts showing loan approvals and loans on the books, 1962-1971

## 17 Provincial distribution of loans, 1971 and 1944-1971

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## 22-23 Assets and Liabilities as at September 30, 1971

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## 30-31 Summary of operations, 1944-1971



*Assembling a fire truck.*

# Annual report of the President—1971

The twenty-seventh fiscal year of the Industrial Development Bank, ended September 30th last, established a new high record in the number and amount of term loans approved by the Bank. During the year, the Bank authorized 4,449 loans for a total amount of \$196.0 million to business enterprises in Canada which were unable to obtain such financing from other lenders on reasonable terms and conditions. This represented an increase of 24 per cent in the number of loans and 19 per cent in the total amount over the previous record year, fiscal 1970.

Upon completion of the 1971 fiscal year, the IDB had authorized 32,460 loans totalling \$1,597 million to assist 24,094 businesses since it opened its doors in November 1944. Of these businesses, 13,924 were on the books of the Bank at September 30th last and to them the Bank had \$614.9 million outstanding or committed, up from \$555.5 million to 12,283 enterprises a year earlier.

In fiscal 1971, the Bank increased its business over fiscal 1970 in the various regions of the country as follows:

<i>Region</i>	<u>Loan Approvals</u>			
	<u>Fiscal 1971</u>		<u>Fiscal 1970</u>	
	<u>No.</u>	<u>Amount</u> (\$000)	<u>No.</u>	<u>Amount</u> (\$000)
Atlantic Provinces	368	\$ 11,425	316	\$ 10,175
Quebec	654	34,871	601	31,910
Ontario	1,216	49,723	978	46,490
Prairie Provinces	724	32,898	543	24,425
British Columbia	1,428	63,189	1,094	48,579
Northern Territories	59	3,874	52	3,049
	<u>4,449</u>	<u>\$195,980</u>	<u>3,584</u>	<u>\$164,628</u>

Statistics concerning lending activity in each province and territory for the past six fiscal years may be found on pages 14 and 15.

All types of business increased their borrowings from the Bank in fiscal 1971 over the previous year:

<i>Type of Business</i>	<u>Loan Approvals</u>			
	<u>Fiscal 1971</u>		<u>Fiscal 1970</u>	
	<u>No.</u>	<u>Amount</u> (\$000)	<u>No.</u>	<u>Amount</u> (\$000)
Manufacturing	991	\$ 55,625	837	\$ 50,954
Transportation and storage	166	7,874	126	6,466
Construction	239	9,728	194	7,799
Agriculture	338	11,415	246	9,534
Wholesale and retail trade	1,081	37,109	859	32,498
Tourist industry	901	44,601	710	30,992
Other	733	29,628	612	26,385
	<u>4,449</u>	<u>\$195,980</u>	<u>3,584</u>	<u>\$164,628</u>

A more detailed classification of loan approvals by type of business over a six year period is shown on pages 18 and 19. The table on page 8 gives a resumé for the past three years of the number of loans approved by size and by type of business and of the purposes for which businesses have borrowed from the Bank.

The special role of the IDB continues to be to provide assistance in the financing of smaller businesses. In its 1971 fiscal year, about half of the loans authorized by the Bank were for amounts of \$25,000 or less and almost 80 per cent were for \$50,000 or less; the average size of loan was





Logging on west coast.



Machines knitting yard goods.



\$44,000. Only 70 of the 4,449 loans approved were for amounts of over \$200,000.

The Bank has continued its efforts to shorten the time required to process applications for loans received from businessmen. By decentralization of lending authority, changes in procedures and in other ways, the time taken, on the average, to reach a decision on a loan application is currently less than 20 days.

As another means of improving its service to businessmen, the Bank is also making its facilities more widely available. During the past year, it opened branch offices at Sydney, Charlottetown, Kingston, Downsview, Sault Ste. Marie, Brandon and Cranbrook. The offices at Chicoutimi and Rouyn, which were operating on a part-time basis, are now established as full time branches. There are currently 39 branch and five regional offices of the Bank located across the country.

All branch offices of the Bank conduct programs of visits by officers to communities where there are no IDB offices. These visits are advertised in advance and provide the opportunity for businessmen in and near these localities to discuss financing proposals with the IDB representatives. During the 1971 fiscal year, 1,695 such visits were made to 385 different communities.

The Bank also endeavours to make its facilities known to the business community by a continuing advertising program, and by publicity activities undertaken by its staff. During the year, IDB officers made 146 addresses to Chambers of Commerce, development associations, service clubs, and other organizations. They also attended 212 business

#### **IDB LOANS BY SIZE** (number of loans)

	Fiscal 1969	Fiscal 1970	Fiscal 1971
\$25,000 or less .....	46%	51%	48%
\$25,000 to \$100,000 .....	45	42	45
Over \$100,000 .....	9	7	7
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Average size of loan (\$000) .....	<u>51</u>	<u>46</u>	<u>44</u>

#### **IDB LOANS BY TYPE OF BUSINESS** (number of loans)

Manufacturing .....	27%	23%	22%
Transportation and storage .....	3	4	4
Construction .....	6	5	5
Agriculture .....	6	7	8
Wholesale and retail trade .....	24	24	24
Tourist industry .....	18	20	20
Other .....	16	17	17
	<u>100%</u>	<u>100%</u>	<u>100%</u>

#### **PURPOSES OF CUSTOMERS' PROGRAMS** (amount)

Land and buildings .....	53%	53%	47%
Machinery and equipment .....	25	23	22
Increase in working capital .....	9	11	13
Refinancing of mortgages, liens, etc. ....	6	6	9
Changes of ownership .....	6	6	8
All other programs .....	<u>1</u>	<u>1</u>	<u>1</u>
(In fiscal 1971, these programs required total financing of \$277.9 million of which the IDB supplied \$196.0 million or 71%)	<u>100%</u>	<u>100%</u>	<u>100%</u>



*Restaurant.*



10 Manufacturing concrete pipe.



Commercial air service.





Making ladies' footwear.

and professional meetings and made many calls upon chartered bank managers, auditors, lawyers, and others who advise businessmen with the objective of explaining the role and the operations of the IDB. Some 40,000 copies of a booklet and 25,000 copies of a folder describing the lending services of the Bank were distributed to interested persons in fiscal 1971.

The Bank's statements of income and expense and the year-end balance sheets for the fiscal years 1970 and 1971 appear on pages 20, 21, 22 and 23.

During fiscal 1971, loan disbursements increased to \$156.2 million from the \$151.0 million disbursed during fiscal 1970. Repayments increased substantially from \$81.7 million in fiscal 1970 to \$100.3 million during fiscal 1971. Part of this increase was due to a higher than normal level of prepayments during the second half of the fiscal year.

All of the share capital of the IDB is owned by the Bank of Canada. Term financing required by the IDB is provided by the sale of debentures to the Bank of Canada. During the year \$2 million in share capital was issued and \$51.4 million in debentures were sold by the IDB.

Net income before allowance for doubtful accounts was \$6.1 million compared with \$2.6 million in fiscal 1970.

This increase resulted primarily from an increase in total income by \$9.9 million to \$48.7 million in spite of a reduction to 9.5 per cent in the Bank's minimum lending rate of interest (applicable to the



majority of its loans) in March 1971. This rise in total income more than offset an 18 per cent increase in payments of interest on debentures (at lower rates than in 1970) and an increase of 17 per cent in operating expenses. The latter was held to a smaller percentage increase over 1970 than that recorded in the number of loans approved as a result of steps taken within the Bank to streamline its procedures and improve its efficiency.

Bad debts totalling \$825,210 were written off during the year and \$66,830 previously written off was recovered. An additional allowance for doubtful accounts of \$4.2 million was provided, which brought an allowance to \$13.9 million at the year-end.

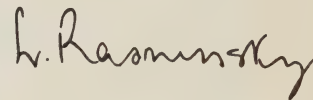
Income and expenses are shown below for the past five years, calculated as percentages of loans and investments outstanding during the respective years:

	Fiscal 1967	Fiscal 1968	Fiscal 1969	Fiscal 1970	Fiscal 1971
Income	7.40%	7.67%	7.92%	8.59%	9.43%
Operating costs	2.22	2.22	2.26	2.25	2.30
Cost of debentures	4.38	4.67	5.12	5.77	5.94
Net income before allowance for doubtful accounts	.80	.78	.54	.57	1.19

The balance of income for fiscal 1971, which amounted to \$1,978,259 after allowance for doubtful accounts, was added to the Reserve Fund, raising it to \$23,218,684.

There were 811 men and women in the employ of the Bank at the close of the 1971 fiscal year, compared with 729 at the previous year-end.

The IDB is limited by statute to providing financing only when it is not available elsewhere on reasonable terms and conditions. On the other hand, the Bank has a responsibility to make its service known to small and medium-sized businesses in all parts of Canada who may require its services. Its success in the obviously difficult task of discharging both these obligations at the same time is due to the energy, loyalty and judgment of its staff. It is with great satisfaction that I express on behalf of the Directors, our sincere appreciation to the men and women on our staff for their excellent efforts during the year just completed.



President



*Processing film.*



Retail store.

## Loan approvals during fiscal years ended September 30

	NUMBER
	1966
CLASSIFICATION BY NEW OR EXISTING BORROWERS:	
To new borrowers .....	1,642
To existing borrowers .....	692
Total .....	<u>2,334</u>

### CLASSIFICATION BY SIZE:

\$ 5,000 or less .....	70
Over 5,000 to 25,000 .....	988
Over 25,000 to 50,000 .....	609
Over 50,000 to 100,000 .....	449
Over 100,000 to 200,000 .....	159
Total up to \$200,000 .....	2,275
Over \$200,000 .....	59
Total .....	<u>2,334</u>
Average size .....	

### CLASSIFICATION BY PROVINCE:

Newfoundland .....	45
Prince Edward Island .....	10
Nova Scotia .....	56
New Brunswick .....	59
Quebec .....	450
Ontario .....	752
Manitoba .....	144
Saskatchewan .....	150
Alberta .....	301
British Columbia .....	358
Yukon .....	1
N.W. Territories .....	8
Total .....	<u>2,334</u>

1967	1968	1969	1970	1971
561	1,850	2,177	2,735	3,257
607	665	811	849	1,192
<u>2,168</u>	<u>2,515</u>	<u>2,988</u>	<u>3,584</u>	<u>4,449</u>

56	44	66	98	176
928	1,107	1,304	1,724	1,977
580	670	792	926	1,335
407	481	547	564	664
145	164	193	196	227
2,116	2,466	2,902	3,508	4,379
52	49	86	76	70
<u>2,168</u>	<u>2,515</u>	<u>2,988</u>	<u>3,584</u>	<u>4,449</u>

31	31	38	81	87
8	17	16	34	33
45	44	92	116	136
60	63	120	85	112
404	461	541	601	654
824	833	863	978	1,216
83	127	111	101	156
111	129	123	112	138
257	289	300	330	430
330	493	751	1,094	1,428
7	17	22	23	43
8	11	11	29	16
<u>2,168</u>	<u>2,515</u>	<u>2,988</u>	<u>3,584</u>	<u>4,449</u>

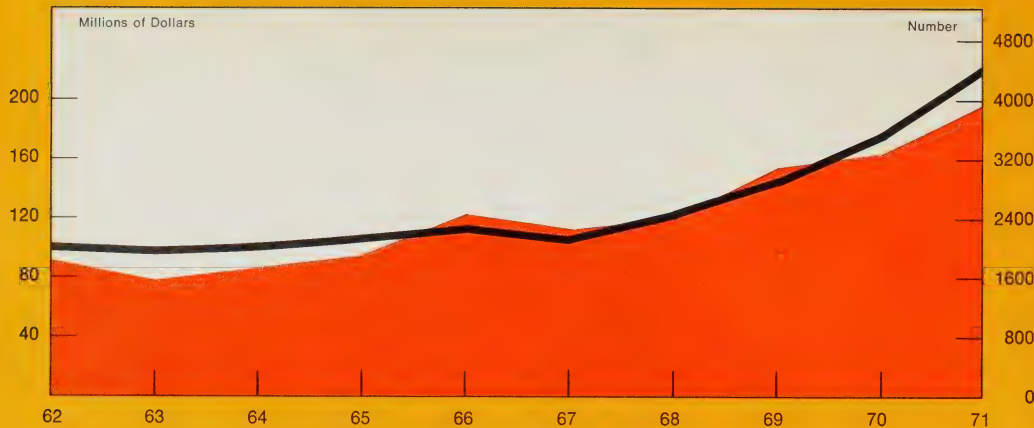
# AMOUNT (\$000)

1966	1967	1968	1969	1970	1971
90,968	80,580	90,687	108,502	122,920	146,786
31,679	32,552	29,566	44,938	41,708	49,194
<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>

287	237	192	281	405	733
15,572	15,337	18,717	22,171	29,092	31,775
23,422	22,065	25,878	30,792	36,990	50,342
33,210	29,478	35,215	40,753	42,922	49,200
<u>23,783</u>	<u>20,856</u>	<u>22,978</u>	<u>27,365</u>	<u>27,819</u>	<u>33,545</u>
96,274	87,973	102,980	121,362	137,228	165,595
<u>26,373</u>	<u>25,159</u>	<u>17,273</u>	<u>32,078</u>	<u>27,400</u>	<u>30,385</u>
<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>
53	52	48	51	46	44

1,508	1,092	1,315	1,290	2,100	2,563
373	515	355	447	804	1,378
2,375	1,516	1,565	3,692	3,750	3,996
2,719	3,084	2,124	5,119	3,521	3,488
31,935	20,780	24,484	34,607	31,910	34,871
42,646	39,006	41,579	45,003	46,490	49,723
6,329	3,873	5,912	5,072	5,440	7,941
6,447	4,962	5,054	4,855	3,513	4,591
10,968	17,013	13,463	15,161	15,472	20,366
16,907	19,914	22,022	36,248	48,579	63,189
75	896	688	1,253	1,087	2,614
365	481	1,692	693	1,962	1,260
<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>

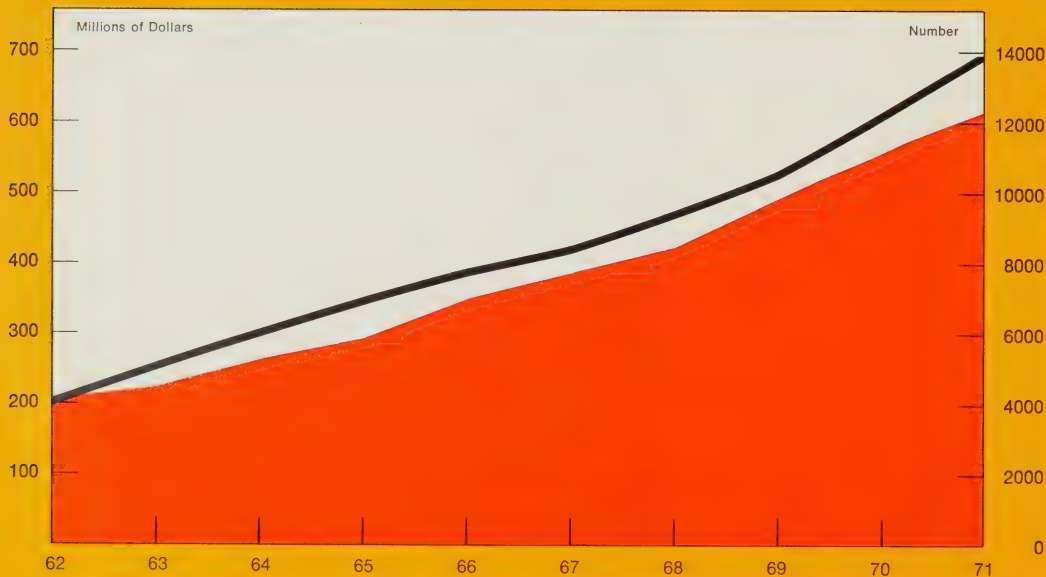




**LOAN APPROVALS**  
During Fiscal Years  
Ended September 30

AMOUNT  
(left-hand scale)

NUMBER  
(right-hand scale)



**LOANS ON THE BOOKS**  
As at Fiscal Year-End  
September 30

AMOUNT  
OUTSTANDING  
OR COMMITTED  
(left-hand scale)

NUMBER OF  
CUSTOMERS  
(right-hand scale)

## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1971		Total Authorizations November 1, 1944 to September 30, 1971	
	Number of Busi- nesses	Amounts Out- standing or Committed (\$000)	Number of Businesses	Amounts (\$000)
Newfoundland .....	252	7,230	443	19,517
Prince Edward Island .....	85	2,862	137	11,116
Nova Scotia .....	371	12,610	664	35,333
New Brunswick .....	373	13,581	749	39,454
Quebec .....	2,481	131,099	4,446	384,487
Ontario .....	4,120	174,464	7,563	497,227
Manitoba .....	619	26,817	1,264	77,807
Saskatchewan .....	662	21,666	1,112	56,579
Alberta .....	1,555	63,981	2,698	154,258
British Columbia .....	3,273	151,134	4,827	305,102
Yukon .....	83	5,321	112	7,413
N.W. Territories .....	50	4,094	79	8,285
Total .....	13,924	614,859	24,094	1,596,578

## SUMMARY STATISTICS OF LOANS *for fiscal years ended September 30*

<i>(Millions of Dollars)</i>	1966	1967	1968	1969	1970	1971
Disbursements to borrowers .....	98.0	96.3	105.4	122.4	151.0	156.2
Repayments by borrowers including principal written off (net) .....	55.1	61.1	69.4	74.5	81.7	100.3
Increase in amounts outstanding .....	42.9	35.2	36.0	47.9	69.3	55.9
Amounts outstanding at year-end .....	297.2	332.4	368.4	416.3	485.6	541.5
Amounts not yet disbursed at year-end on loans authorized .....	52.5	55.1	57.7	72.4	69.9	73.4
Amounts outstanding plus undisbursed at year-end .....	349.7	387.5	426.1	488.7	555.5	614.9
Number of customers on the books at year- end .....	7,868	8,593	9,509	10,627	12,283	13,924
Average amount outstanding plus undis- bursed per customer (thousands of dollars)	44	45	45	46	45	44

## Classification of loan approvals by type o



*Small animal hospital.*

### Manufacturing:

Foods and beverages .....	
Tobacco and tobacco products .....	
Rubber products .....	
Leather products .....	
Textile products (except clothing) .....	
Clothing (textiles and fur) .....	
Wood products .....	
Paper products (including pulp) .....	
Printing and allied industries .....	
Iron and steel products (including machinery and equipment) .....	
Transportation equipment .....	
Non-ferrous metal products .....	
Electrical apparatus and supplies .....	
Non-metallic mineral products .....	
Products of petroleum and coal .....	
Chemical products .....	
Miscellaneous manufacturing industries .....	
Commercial air services .....	
Warehousing (including refrigeration) .....	
Other transportation and storage .....	
Electric power, gas, water utilities .....	
Mines (incl. milling), quarries, oil wells .....	
Construction .....	
Industrial buildings .....	
Personal services .....	
Forestry .....	
Wholesale trade .....	
Retail trade .....	
Education and health services .....	
Recreation services .....	
Services to business management .....	
Miscellaneous services .....	
Agriculture .....	
Fishing and trapping .....	
Communications .....	
Laundries, cleaners and pressers .....	
Restaurants and other eating places .....	
Hotels, motels and other lodgings .....	
Theatres, bowling alleys, billiard halls .....	

(Enterprises engaged in more than one type of business are classified according to major activity.)

# business during fiscal years ended September 30

## NUMBER

1966	1967	1968	1969	1970	1971
153	125	137	138	120	153
1	—	1	—	1	—
13	5	6	17	10	10
17	13	8	13	13	9
22	24	19	21	18	18
35	35	27	35	28	40
147	102	100	126	144	168
14	22	7	18	18	13
70	48	56	55	62	104
208	171	199	195	211	233
20	22	31	30	34	39
8	7	11	7	8	12
15	17	18	17	21	29
43	34	41	39	52	52
2	2	—	—	5	2
18	19	24	22	21	24
57	47	50	65	71	85
16	25	21	23	20	42
8	10	5	9	10	6
76	63	77	77	96	118
3	7	6	4	12	10
25	18	17	21	25	30
142	127	157	174	194	239
62	79	145	201	222	286
15	23	14	25	28	39
7	16	11	6	15	24
196	159	154	204	220	262
338	342	430	501	639	819
15	20	48	34	66	67
34	31	42	39	57	84
24	31	28	40	57	71
43	46	53	57	79	85
185	169	199	194	246	338
3	7	11	13	21	17
18	17	7	16	13	13
41	32	47	56	74	91
95	91	110	173	254	356
129	147	184	299	374	431
16	15	14	24	25	30
<u>2,334</u>	<u>2,168</u>	<u>2,515</u>	<u>2,988</u>	<u>3,584</u>	<u>4,449</u>

## AMOUNT (\$000)

1966	1967	1968	1969	1970	1971
10,787	7,411	7,423	8,682	7,938	8,773
50	—	40	—	32	—
971	252	206	1,141	855	642
793	577	364	809	434	369
2,176	1,777	2,375	1,697	1,743	2,145
2,158	2,727	1,444	2,439	1,510	1,768
11,653	7,078	4,825	8,068	9,454	13,546
1,837	1,516	272	2,609	1,279	938
3,888	2,636	2,036	3,083	2,276	4,395
14,167	9,297	11,121	12,764	14,058	11,168
1,018	1,215	1,788	1,704	2,073	2,342
828	841	484	439	635	547
918	1,687	1,358	1,143	928	1,653
3,788	1,361	3,049	2,474	2,477	2,706
155	152	—	—	317	50
677	745	1,429	1,845	1,282	1,009
2,775	1,939	1,992	3,114	3,663	3,574
1,903	6,040	833	1,351	974	2,560
472	916	275	602	896	482
3,733	6,255	4,456	6,775	4,596	4,832
43	154	195	165	592	373
1,986	1,129	1,123	1,529	1,182	1,424
5,699	4,945	6,163	7,181	7,799	9,728
2,850	4,443	10,026	10,749	12,318	14,672
446	706	616	773	576	855
281	661	257	193	566	1,060
9,491	8,129	6,992	10,322	10,978	13,396
12,272	13,455	14,781	17,225	21,520	23,713
1,159	1,189	1,912	2,143	3,664	3,102
1,639	1,504	1,876	2,115	2,620	4,157
881	716	801	1,594	1,731	2,003
1,480	2,116	1,969	1,591	2,352	2,890
6,876	6,121	8,355	7,865	9,534	11,415
65	143	208	195	359	485
890	1,075	365	778	616	456
1,223	1,059	2,086	1,572	2,429	2,308
3,506	3,304	4,126	7,135	9,242	11,475
6,553	7,019	12,261	18,594	17,826	27,850
560	842	371	982	1,304	1,119
<u>122,647</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>





*Making men's socks.*

## Income and Expense Year ended September 30, 1971

### INCOME

Interest .....	
Profit on sale of investments .....	
Sundry .....	

### EXPENSE

Salaries <sup>(1)</sup> .....	
Pension fund, unemployment insurance and group insurance .....	
Other staff expenses <sup>(2)</sup> .....	
Investigation and supervision expenses .....	
Travel and transfer expenses .....	
Rental and other costs — leased premises .....	
Depreciation on fixed assets .....	
Advertising .....	
Other public information <sup>(3)</sup> .....	
Telephone and telegrams .....	
Office supplies and expenses .....	
Directors' fees .....	
Auditors' fees and expenses .....	
All other operating expenses .....	
Total operating expenses .....	
Interest on debentures (including amortization of discount and premium) .....	
Allowance for doubtful accounts .....	

Balance of income transferred to reserve fund .....

(1) The number of staff averaged 775 in 1971 and 731 in 1970.

(2) Includes overtime pay, medical services and cafeteria expense.

(3) Includes printing of Annual Report and of booklet "A Source of Financing for Canadian Business", etc.

with comparative figures for 1970)

## Reserve fund

(\$000)	(\$000)
1971	1970
\$47,502	\$38,251
215	7
1,025	618
<u>48,742</u>	<u>38,876</u>
7,654	6,834
990	643
237	181
184	141
547	436
1,035	901
140	108
102	102
157	135
275	231
410	340
16	13
23	20
<u>105</u>	<u>92</u>
11,875	10,177
30,730	26,102
4,158	2,097
<u>46,763</u>	<u>38,376</u>
<u>\$ 1,979</u>	<u>\$ 500</u>

### STATEMENT OF RESERVE FUND

Year ended September 30, 1971 (with comparative figures for 1970)

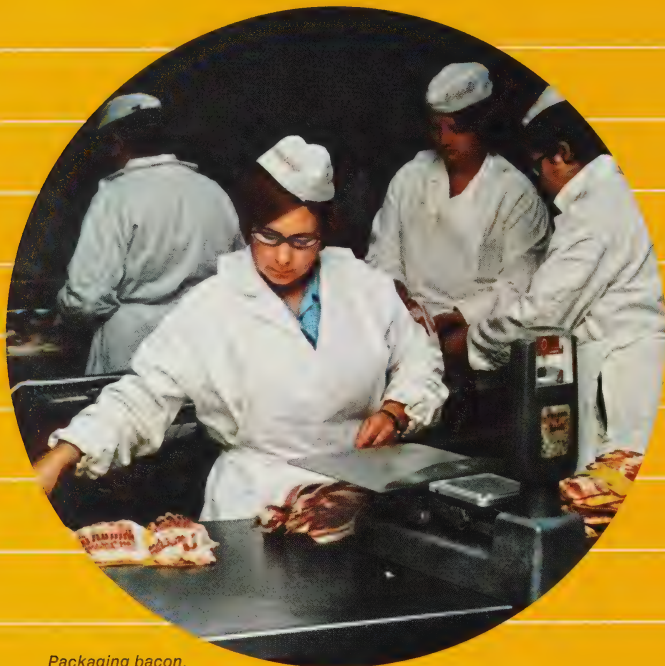
	(\$000)	(\$000)
	1971	1970
Balance, beginning of year .....	\$21,240	\$20,740
Balance of income for the year .....	1,979	500
Balance, end of year .....	<u>\$23,219</u>	<u>\$21,240</u>

## Allowance for doubtful accounts

### STATEMENT OF ALLOWANCE FOR DOUBTFUL ACCOUNTS

Year ended September 30, 1971

		(\$000)
Balance, beginning of year .....		\$10,500
Add:		
Recovery of amounts previously written off .....	\$ 67	
Allowance for doubtful accounts for the year ended September 30, 1971 .....	4,158	4,225
		<u>14,725</u>
Less:		
Bad debts written off .....		825
Balance, end of year .....		<u>\$13,900</u>



*Packaging bacon.*

## Statement of Assets and Liabilities

### ASSETS

Government of Canada Treasury Bills .....

Loans and investments .....

Interest due and accrued .....

Property held for sale .....

Less allowance for doubtful accounts .....

Liability of others on guarantees and  
underwriting agreements (as per contra) .....

Fixed assets, at cost less accumulated depreciation .....

Other assets .....

**NOTE:** Amounts not disbursed at September 30, 1971 on loans  
and investments authorized, \$73,406,487 (1970 — \$69,985,231).

L. RASMINSKY

President

A. ROUSSEAU

Chief Accountant

# **Assets at September 30, 1971** (with comparative figures for 1970)

1971	1970
\$ 7,599,182	\$ 4,894,673
543,146,547	487,485,623
3,432,887	2,469,135
2,785,055	2,544,800
549,364,489	492,499,558
13,900,000	10,500,000
535,464,489	481,999,558
—	13,975
482,000	390,622
223,363	154,253
<u>\$543,769,034</u>	<u>\$487,453,081</u>

## **LIABILITIES**

	1971	1970
Cheques outstanding (less cash) .....	\$ 5,225,368	\$ 5,451,808
Accrued interest on debentures .....	13,253,737	12,263,996
Other liabilities .....	851,099	1,118,024
	<u>19,330,204</u>	<u>18,833,828</u>
Liabilities under guarantees and underwriting agreements .....	—	13,975
Debentures outstanding .....	445,500,000	394,100,000
Debenture premium and discount less amortization .....	720,146	264,853
	<u>446,220,146</u>	<u>394,364,853</u>
Capital:		
Authorized:		
750,000 shares, par value of \$100 each		
Issued and outstanding:		
550,000 shares (530,000 shares in 1970) .....	55,000,000	53,000,000
Reserve fund .....	<u>23,218,684</u>	<u>21,240,425</u>
	<u>78,218,684</u>	<u>74,240,425</u>
	<u>\$543,769,034</u>	<u>\$487,453,081</u>

## **AUDITORS' REPORT**

We have examined the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1971 and the statements of income and expense and of reserve fund for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Bank as at September 30, 1971 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A. JOHN LITTLE, F.C.A.  
of Clarkson, Gordon & Co.

MAURICE SAMSON, C.A.  
of Samson, Bélair, Côté,  
Lacroix et Associés

Ottawa, October 19, 1971



## Board of Directors

---

*L. Rasminsky, C.C., C.B.E.	Ottawa, Ont.
*J. R. Beattie	Ottawa, Ont.
P. A. Archibald	Antigonish, N.S.
E. G. Byrne, Q.C.	Bathurst, N.B.
R. W. Campbell	Calgary, Alta.
*J. F. Grandy	Ottawa, Ont.
W. R. Jenkins	Charlottetown, P.E.I.
*S. Kanee	Winnipeg, Man.
S. G. Lake	Burgeo, Nfld.
*J. L. Lewtas, Q.C.	Toronto, Ont.
D. F. Matheson	Yorkton, Sask.
*S. S. Reisman	Ottawa, Ont.
M. Riel, Q.C.	Montreal, Que.
D. W. Slater	Toronto, Ont.
*J. Taschereau	Quebec, Que.
A. Walton	Vancouver, B.C.

\*Member of the Executive Committee



*Manufacturing wooden mouldings.*

## Officers

President . . . . .	L. Rasminsky, c.c., c.b.e.	
General Manager . . . . .	E. R. Clark . . . . .	Montreal
Assistant General Manager . . . . .	C. E. DeAthe . . . . .	Montreal
Assistant General Manager . . . . .	H. J. C. Russell . . . . .	Montreal
Assistant General Manager, Atlantic Region . . . . .	K. A. Powers . . . . .	Halifax
Assistant General Manager, Quebec Region . . . . .	Lucien Viau . . . . .	Montreal
Assistant General Manager, Central Region . . . . .	W. C. Stuart . . . . .	Toronto
Assistant General Manager, Prairie Region . . . . .	J. C. Ingram . . . . .	Winnipeg
Assistant General Manager, British Columbia Region . . . . .	J. E. Millard . . . . .	Vancouver
Secretary . . . . .	G. Hamilton . . . . .	Ottawa
Deputy Secretary . . . . .	P. D. Smith . . . . .	Ottawa
Chief Accountant . . . . .	A. Rousseau . . . . .	Ottawa
Auditor . . . . .	R. F. Hirsch . . . . .	Ottawa
Assistant Auditor . . . . .	D. A. Thompson . . . . .	Ottawa
Superintendent, Credits . . . . .	G. Bourbonnière . . . . .	Montreal
Assistant Superintendent, Credits . . . . .	H. P. Carmichael . . . . .	Montreal
Superintendent, Personnel . . . . .	P. F. Limoges . . . . .	Montreal
Assistant Superintendent, Personnel . . . . .	J. B. S. Oldaker . . . . .	Montreal
Personnel Officer . . . . .	J. A. McKee . . . . .	Montreal
Assistant Personnel Officer . . . . .	Miss G. Trépanier . . . . .	Montreal
Administrative Assistant . . . . .	C. R. T. Bingley . . . . .	Montreal
Administrative Assistant . . . . .	P. M. Bourassa . . . . .	Montreal
Controller . . . . .	R. L. McLean . . . . .	Montreal
Assistant Controller . . . . .	R. G. Forsythe . . . . .	Montreal
Assistant Controller . . . . .	M. Pellegrino . . . . .	Montreal
General Solicitor . . . . .	H. M. Scott . . . . .	Montreal
Associate General Solicitor . . . . .	Guy Bousquet, q.c. . . . .	Montreal
Chief Engineer . . . . .	E. C. Scott . . . . .	Montreal
Chief, Insurance Department . . . . .	W. L. Mundy . . . . .	Montreal
Research Officer . . . . .	L. E. Barclay . . . . .	Ottawa
Assistant Research Officer . . . . .	T. J. Dettman . . . . .	Ottawa
Deputy Secretary . . . . .	C. I. Stuart . . . . .	Montreal
Deputy Secretary . . . . .	G. R. d'Artois . . . . .	Montreal
Information Officer . . . . .	J. W. Sivers . . . . .	Montreal

# Officers (continued)

## REGIONAL AND BRANCH OFFICES

### ATLANTIC REGION

#### Regional Office

#### St. John's

#### Halifax

#### Sydney

#### Saint John

#### Moncton

#### Charlottetown

### QUEBEC REGION

#### Regional Office

#### Rimouski

#### Chicoutimi

#### Quebec

#### Trois-Rivières

#### Sherbrooke

#### Montreal (North)

#### Montreal (South)

#### Rouyn-Noranda

#### Ottawa

Assistant General Manager:

K. A. Powers

Supervisor: J. G. Kenna

Regional Engineer: A. Mackie

Regional Solicitor: D. R. Urquhart

Manager: M. F. Clooney

Assistant Manager: R. M. Williams

Manager: W. Y. Torrance

Assistant Manager: J. B. Lane

Manager: A. Highet

Manager: J. A. Sutherland

Manager: J. P. Michaud

Manager: J. A. Clinton

Assistant General Manager:

Lucien Viau

Supervisor: J. E. Nordin

Assistant Supervisors:

J. Y. Bernier, J. M. Dunbar

Regional Engineer: R. Bernaquez

Regional Solicitor: K. F. McNamee, o.c.

Manager: M. Dépot

Manager: M. D. Légaré

Manager: J. Lagacé

Assistant Manager: G. H. Bourque

Manager: J. C. Martin

Manager: C. L. L'Espérance

Manager: J. Y. Milette

Assistant Managers:

R. Trudeau, D. K. Wiggins

Manager: G. W. Madore

Assistant Managers:

W. Forman, J. R. Leduc

Manager: J. R. Lafond

Manager: P. H. Johnson

Assistant Manager: B. Hryniowski

1583 Hollis Street, Halifax

1583 Hollis Street, Halifax

85 Elizabeth Avenue

1583 Hollis Street

195 Charlotte Street

75 Prince William Street

236 St. George Street

51 University Avenue

901 Victoria Square, Montreal

901 Victoria Square, Montreal

320 St. Germain Street, East

152 Racine Street, East

925 Chemin St. Louis

550 Bonaventure Street

1845 King Street, West

110 Cremazie Boulevard West,  
Montreal

800 Victoria Square, Montreal

65 Mgr. Tessier Street, Rouyn

151 Sparks Street



## Officers (continued)

### CENTRAL REGION

Regional Office	Assistant General Manager: W. C. Stuart	250 University Avenue, Toronto
	Supervisor: E. A. Bell	250 University Avenue, Toronto
	Assistant Supervisors: K. K. Hay-Roe, W. H. Jay	
	Regional Engineer: J. T. D. Mulqueen	
	Regional Legal Officer: B. K. Grafen	
Kingston	Manager: E. A. Duddle	797 Princess Street
Metropolitan Toronto	Manager: I. D. MacLaren	250 University Avenue, Toronto
	Assistant Managers: R. J. Collins, R. A. Lewis	
Toronto-North	Manager: M. D. Rudkin	4430 Bathurst Street, Downsview
	Assistant Managers: E. D. McCrindell, H. C. Tomasson	
Mid-Ontario	Manager: R. T. Mactavish	250 University Avenue, Toronto
	Assistant Managers: J. D. Carruthers, R. W. Parker	
Hamilton	Manager: J. T. Horne	20 Hughson Street, South
	Assistant Manager: J. R. Sugden	
Kitchener-Waterloo	Manager: K. W. Bolam	305 King Street West, Kitchener
	Assistant Manager: D. C. Sedgwick	
London	Manager: C. B. Ready	197 York Street
	Assistant Manager: J. P. Roberts	
Windsor	Manager: R. V. Crank	500 Ouellette Avenue
	Assistant Manager: Miss R. W. Jesshope	
Sudbury	Manager: J. O. Skerry	96 Larch Street
	Assistant Manager: K. G. Hopper	
Sault Ste. Marie	Manager: J. R. Bernard	452 Albert Street, East
Thunder Bay	Manager: R. J. Kenny	106 Centennial Square
	Assistant Manager: R. C. Allison	

### PRAIRIE REGION

(including Northwest Territories)

Regional Office	Assistant General Manager: J. C. Ingram	161 Portage Avenue, Winnipeg
	Supervisor: R. H. Wheeler	161 Portage Avenue, Winnipeg
	Assistant Supervisor: C. V. Spielman	
	Regional Engineer: C. H. Cleghorn	
	Regional Solicitor: H. K. Olson	
Winnipeg	Manager: D. A. Kerley	161 Portage Avenue
	Assistant Manager: R. F. Harriman	

## Officers (continued)

### PRAIRIE REGION (cont'd)

Brandon	Manager: R. J. Clinchy	144 Sixth Street
Regina	Manager: G. J. Hiltz Assistant Manager: K. T. James	2220-12th Avenue
Saskatoon	Manager: D. S. Brown Assistant Manager: W. L. Hutton	1102 CN Towers, Midtown Plaza
Lethbridge	Manager: T. F. Ching Assistant Manager: J. E. Evans	740-4th Avenue, South
Calgary	Manager: H. W. Baker Assistant Managers: N. L. Crowe, J. W. Melymick	404 Sixth Avenue, S.W.
Edmonton	Manager: O. H. Morgan Assistant Managers: R. J. McGregor, L. A. Zachary	10150-100th Street

### BRITISH COLUMBIA REGION (including Yukon Territory)

Regional Office	Assistant General Manager: J. E. Millard Supervisor: L. F. Smith Assistant Supervisor: N. J. Weedmark Regional Engineer: G. B. G. Ross Regional Solicitor: T. A. James	900 West Hastings Street, Vancouver 900 West Hastings Street, Vancouver
Cranbrook	Manager: K. E. Neilson	30 South 11th Avenue
Kelowna	Manager: K. R. Miller Assistant Manager: R. M. Leite	1460 Pandosy Street
Prince George	Manager: J. G. Wilson Assistant Managers: T. G. Gilmour, M. Kartasheff	1320 Fifth Avenue
New Westminster	Manager: M. T. Collins Assistant Managers: R. W. Gray, G. Kirkwood	765-6th Street
Vancouver	Manager: R. B. Thomas Assistant Managers: G. C. Hamilton, K. E. Phillips	885 Dunsmuir Street
Victoria	Manager: R. P. Dohan Assistant Managers: M. Gumprich, J. Maday	777 Broughton Street



*Recreation centre in the Yukon.*

## Summary of operations 1944-1971 (Thousand)

### **Fiscal years ended September 30**

#### **LOANS AND INVESTMENTS**

Authorized during period .....	
Less: cancellations and reductions .....	
Net authorizations .....	
Disbursements .....	
Less: repayments and write-offs of principal .....	
Increase in amounts outstanding .....	

#### **INCOME AND EXPENSE**

Income from loans and investments (interest and dividends) .....	
Other income .....	
Total income .....	
Operating expenses .....	
Salaries and other staff expenses .....	
Other .....	
Total operating expenses .....	
Cost of debentures .....	
Net income before allowance for doubtful accounts .....	
Allowance for doubtful accounts .....	
Transferred to reserve fund .....	

#### **WRITE-OFFS**

Bad debts written off, net .....	
----------------------------------	--

#### **YEAR-END BALANCE SHEET**

Loans and investments, including agreements for sale .....	
Less: Allowance for doubtful accounts .....	
All other assets .....	
Total assets .....	
Capital, issued and paid up .....	
Reserve fund .....	
Debentures outstanding .....	
All other liabilities .....	
Total liabilities .....	

dollars)

November 1944 to 1963	1964	1965	1966	1967	1968	1969	1970	1971	Cumulative Total
544,197	88,501	96,246	122,664	113,442	120,297	153,440	164,628	195,980	1,599,395
78,381	10,627	12,418	14,771	14,223	12,171	16,353	16,089	36,409	211,442
465,816	77,874	83,828	107,893	99,219	108,126	137,087	148,539	159,571	1,387,953
434,144	69,534	81,141	98,143	96,631	105,466	122,376	150,961	156,168	1,314,564
233,252	46,198	50,224	55,181	61,197	69,721	74,596	81,696	100,397	772,462
200,892	23,336	30,917	42,962	35,434	35,745	47,780	69,265	55,771	542,102
63,262	14,246	16,638	19,293	22,863	26,396	30,575	38,257	47,505	279,035
4,413	414	469	482	583	659	535	619	1,237	9,411
67,675	14,660	17,107	19,775	23,446	27,055	31,110	38,876	48,742	288,446
17,608	3,578	3,884	4,794	5,300	5,915	6,758	7,618	8,881	64,336
6,015	1,328	1,411	1,596	1,746	1,912	2,108	2,559	2,994	21,669
23,623	4,906	5,295	6,390	7,046	7,827	8,866	10,177	11,875	86,005
22,238	7,891	9,549	11,457	13,875	16,478	20,107	26,102	30,730	158,427
21,814	1,863	2,263	1,928	2,525	2,750	2,137	2,597	6,137	44,014
5,196	998	1,323	1,393	1,891	1,976	1,764	2,097	4,158	20,796
16,618	865	940	535	634	775	373	500	1,979	23,219
1,497	198	573	393	641	726	1,264	847	758	6,897
224,368	255,328	298,415	334,744	371,350	419,232	487,486	543,147		
-4,500	-5,250	-6,250	-7,500	-8,750	-9,250	-10,500	-13,900		
5,043	6,703	6,698	6,061	7,597	3,773	10,467	14,522		
224,911	256,781	298,863	333,305	370,197	413,755	487,453	543,769		
35,000	38,000	41,000	44,000	47,000	51,000	53,000	55,000		
17,483	18,423	18,958	19,592	20,367	20,740	21,240	23,219		
168,100	195,400	232,800	262,500	293,600	331,500	394,100	445,500		
4,328	4,958	6,105	7,213	9,230	10,515	19,113	20,050		
224,911	256,781	298,863	333,305	370,197	413,755	487,453	543,769		





*Guest ranch in the foothills of the Rockies.*







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Publications

Annual  
Report  
1972

Industrial Development Bank

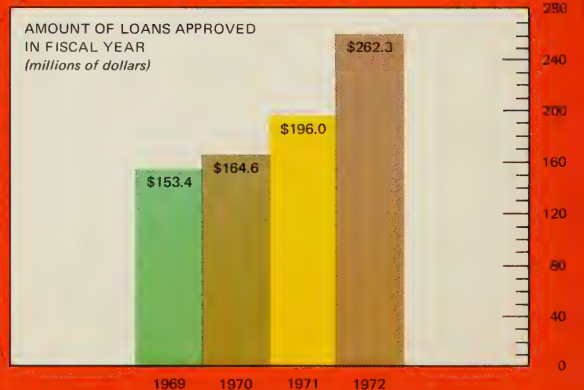
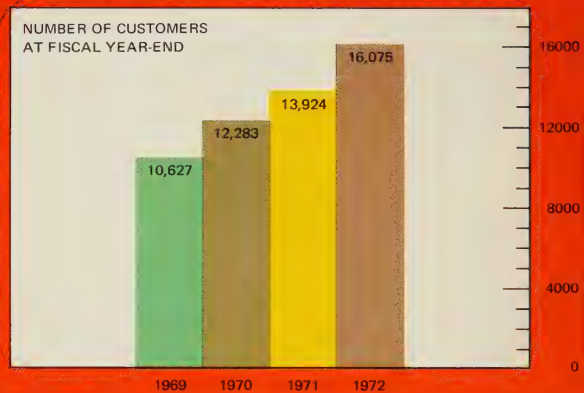
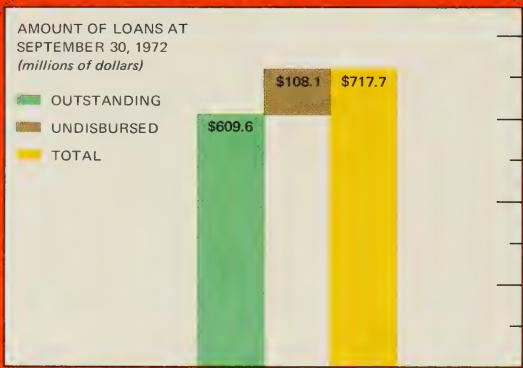






The Industrial Development Bank lends to businesses in Canada, chiefly those of smaller size, which are unable to obtain financial assistance from other sources on reasonable terms and conditions. Since it was established by Parliament in 1944 as a subsidiary of the Bank of Canada, IDB has authorized over 38,000 loans for a total amount in excess of \$1,800,000,000 to more than 28,000 businesses. At present, some 16,000 businesses are customers of the Bank and the facilities of a few of them are shown in the photographs in this report.

# Highlights





Head Office

Ottawa

December 8th, 1972

The Hon. John N. Turner, P.C.  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ended September 30th, 1972, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,

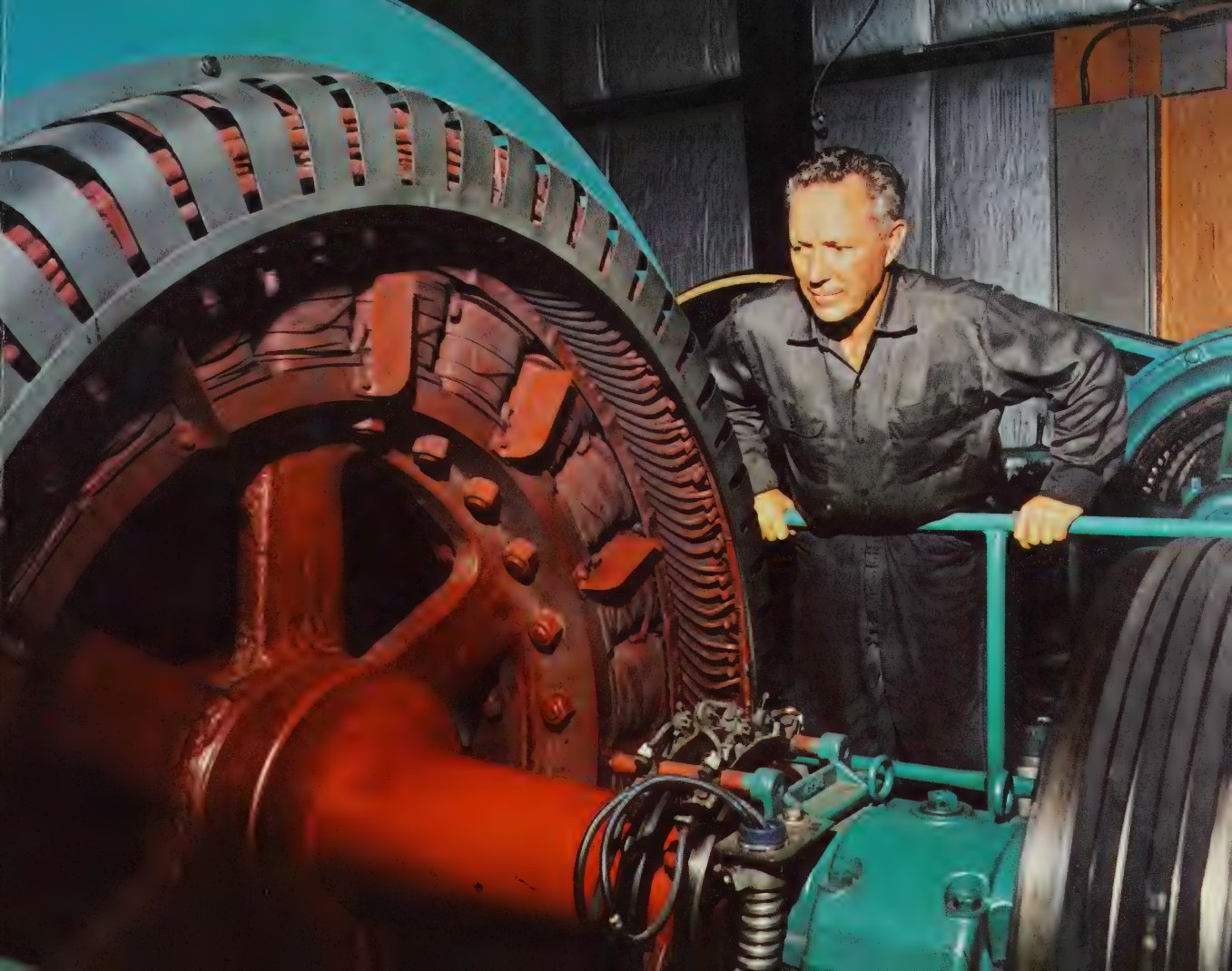
A handwritten signature in dark ink, appearing to read "L. Rasmussen", is positioned below the closing. The signature is written in a cursive, flowing style.

President



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## Annual report of the President — 1972

The volume of lending activity by the Industrial Development Bank in its twenty-eighth fiscal year ended September 30th last reached a new record level with 5,889 loans approved during the year for a total amount of \$262 million. This was an increase of about one-third in number and amount over 1971, the previous record fiscal year.

At the close of the year, \$717.7 million in IDB funds were outstanding or committed to 16,075 customers of the Bank, up from \$614.9 million to 13,924 businesses a year earlier. Since it began its activities in November 1944, IDB has authorized 38,345 loans totalling \$1,859 million to assist 28,442 businesses.

The number and amounts of loans by the Bank to all types of business in fiscal 1972 increased generally over the previous year:

<i>Type of Business</i>	Loan Approvals			
	Fiscal 1971		Fiscal 1972	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	991	\$ 55,625	1,294	\$ 72,758
Transportation and storage	166	7,874	177	10,177
Construction	239	9,728	298	9,606
Agriculture	338	11,415	416	16,479
Wholesale and retail trade	1,081	37,109	1,585	56,749
Tourist industry	901	44,601	1,209	59,340
Other	733	29,628	910	37,201
	<u>4,449</u>	<u>\$195,980</u>	<u>5,889</u>	<u>\$262,310</u>

The growth in the lending activity of the Bank

reflects its continuing efforts to bring its services to the attention of businesses which are unable to obtain term financing from other sources on reasonable terms and conditions. In 1972, branch offices were opened at Longueuil, Quebec; St. Catharines and Kenora, Ontario; Grande Prairie, Alberta; and Chilliwack, North Vancouver and Campbell River, British Columbia. There are now 46 branch offices and five regional offices across the country. About 97 per cent of the loans of the Bank are approved at these offices.

In addition to expanding its network of branch offices, the Bank is making its services known to businessmen through the visits of its representatives to smaller communities. These visits are advertised in advance and businessmen are invited to discuss financing proposals with the IDB representatives. In fiscal 1972, 2,850 visits were made to 539 centres.

By advertising and other publicity activities, the Bank informs businessmen about its services. IDB officers address service clubs, trade associations and other groups. They also attend business meetings, show a new film and a slide show about the Bank and participate in various other activities. In fiscal 1972, IDB officers made 170 speeches and attended over 200 meetings. A booklet and folder describing the services of the Bank are offered to businessmen in advertisements and are distributed at trade fairs, exhibitions and elsewhere.

In fiscal 1972, IDB received in excess of 20,000 enquiries from businessmen. Over one-third of them resulted in applications for loans and some







84 per cent of the applications resulted in the authorization of loans.

Under its terms of reference, IDB is especially concerned with the financing problems of smaller businesses. This is reflected in the volume of loans of smaller amounts which it makes. Around half the loans made by the Bank are for amounts of \$25,000 or less and about 80 per cent are for \$50,000 or less. The average size of loan in fiscal 1972 was \$45,000.

The Bank helps its customers, especially smaller businesses, in other ways. Those which approach it for financial assistance, and more particularly those which submit applications for loans, often benefit from the investigation and analysis of their financial problems by the Bank. This is a benefit which continues, when a loan is made, through the Bank's regular administration of the loan account.

As a further service, the Bank has established an Advisory Services department to help promote good management practices in small Canadian businesses. A series of pamphlets prepared by the department under the general heading of "Minding Your Own Business" are being issued without charge. They examine business problems and methods which are of interest to small business. Some 39,000 pamphlets have been distributed to businessmen and to financial and other organizations in Canada and abroad. Also, management seminars covering topics of particular interest to owners and managers of small businesses are being held in smaller centres across Canada. A library of reference booklets on small business

management is being placed in each branch office of the Bank where the booklets can be seen and consulted.

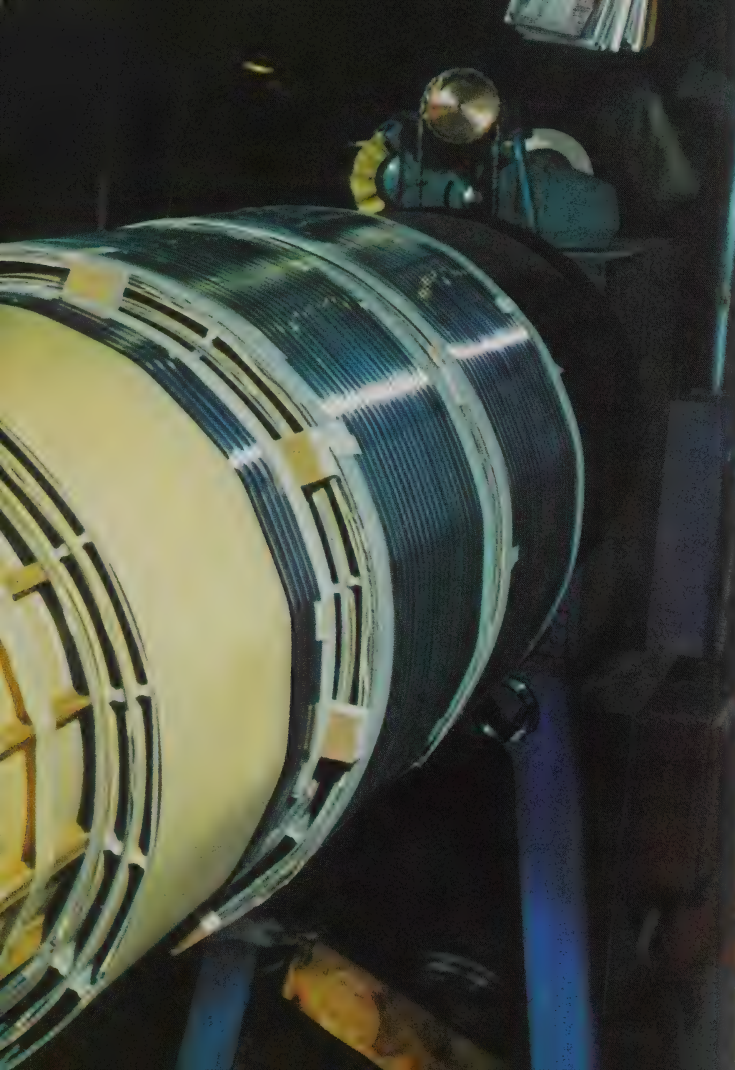
Because the Bank was one of the first industrial development financing organizations in the world and is now one of the largest, it has for many years provided guidance and personnel training to similar institutions as they were established in various countries. Over 100

<b>IDB LOANS BY SIZE</b> (number of loans)	Fiscal 1970	Fiscal 1971	Fiscal 1972
\$25,000 or less . . . . .	51%	48%	48%
\$25,000 to \$100,000 . . . . .	42	45	45
Over \$100,000 . . . . .	7	7	7
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Average size of loan (\$000)	<u>46</u>	<u>44</u>	<u>45</u>
 <b>PURPOSES OF CUSTOMERS' PROGRAMS</b> (amount)			
Land and buildings . . . . .	53%	47%	48%
Machinery and equipment . . . . .	23	22	22
Increase in working capital . . . . .	11	13	11
Refinancing of mortgages, liens, etc. . . . .	6	9	8
Changes of ownership . . . . .	6	8	10
All other programs . . . . .	1	1	1
(In fiscal 1972, these programs required total financing of \$376.2 million of which the IDB supplied \$262.3 million or 70%)	<u>100%</u>	<u>100%</u>	<u>100%</u>









representatives of development agencies in 43 countries have obtained such assistance from IDB. In the past fiscal year, ten representatives from seven countries were received by the Bank for training. Also, at the request of the Canadian International Development Agency, an IDB officer went overseas in 1971 to prepare a study of the organization and activities of a development bank in one of the newer countries. The Bank has also participated in the annual conferences of industrial development financing organizations convened by the United Nations Industrial Development Organization. This year's conference was held in Ottawa in September and provided the opportunity for the exchange of views and experience between such institutions from thirty countries.

The Bank's financial statements, Income and Expense, Reserve Fund, Allowance for Doubtful Accounts and Assets and Liabilities for the fiscal year, with comparative figures for 1971, appear on pages 20, 21, 22 and 23.

Disbursements of funds to loan customers increased to \$194.0 million from \$156.2 million during fiscal 1971. This very large increase over previous years reflects the substantial increase in lending activity. A higher than normal level of prepayments continued during the fiscal year. This influenced the increase in repayments from \$100.3 million during fiscal 1971 to \$125.9 million in fiscal 1972.

During the year a further \$3 million in share capital was issued, bringing the outstanding capital, all of which is owned by the Bank of Canada, to



\$58 million. The Bank of Canada purchased during the year \$56.2 million in IDB debentures. Interest payments on outstanding debentures increased by 10 per cent in 1972.

Total income for the year increased by \$7.9 million to \$56.6 million. Net income before allowance for doubtful accounts was \$8.0 million compared with \$6.1 million in fiscal 1971.

The increase in loan authorizations and the opening of new branches resulted in an increase in staff and a general increase in other expense categories. Operating expenses increased from \$11.9 million in 1971 to \$14.7 million in 1972.

Income and expenses are shown below for the past five years, calculated as percentages of loans and investments outstanding during the respective years:

	Fiscal 1968	Fiscal 1969	Fiscal 1970	Fiscal 1971	Fiscal 1972
Income	7.67%	7.92%	8.59%	9.43%	9.86%
Operating costs	2.22	2.26	2.25	2.30	2.56
Cost of debentures	4.67	5.12	5.77	5.94	5.91
Net income before allowance for doubtful accounts	.78	.54	.57	1.19	1.39

During the year bad debts totalling \$1,341,742 were written off and \$72,969 previously written off was recovered. An additional allowance for doubtful accounts of \$3.1 million was provided from profit.

The balance of income for fiscal 1972, which was \$3,611,865 after allowance for doubtful accounts, increased the Reserve Fund to \$26,830,549.

There were 937 men and women comprising the staff of the IDB on September 30th last compared with 831 at the close of the previous fiscal year. It is with much satisfaction that I express on behalf of the Directors our appreciation of the efforts of the staff who have assisted in making fiscal year 1972 an outstanding one for the Bank.

*L. Rasminsky*  
President







## Loan approvals during fiscal years ended September 30

	NUMBER
	1967
CLASSIFICATION BY NEW OR EXISTING BORROWERS:	
To new borrowers	1,561
To existing borrowers	607
Total	<u>2,168</u>

### CLASSIFICATION BY SIZE:

\$ 5,000 or less	56
Over 5,000 to 25,000	928
Over 25,000 to 50,000	580
Over 50,000 to 100,000	407
Over 100,000 to 200,000	145
Total up to \$200,000	2,116
Over \$200,000	52
Total	<u>2,168</u>
Average size	

### CLASSIFICATION BY PROVINCE:

Newfoundland	31
Prince Edward Island	8
Nova Scotia	45
New Brunswick	60
Quebec	404
Ontario	824
Manitoba	83
Saskatchewan	111
Alberta	257
British Columbia	330
Yukon	7
N.W. Territories	8
Total	<u>2,168</u>

1968	1969	1970	1971	1972
1,850	2,177	2,735	3,257	4,349
<u>665</u>	<u>811</u>	<u>849</u>	<u>1,192</u>	<u>1,540</u>
<u>2,515</u>	<u>2,988</u>	<u>3,584</u>	<u>4,449</u>	<u>5,889</u>

44	66	98	176	242
1,107	1,304	1,724	1,977	2,617
670	792	926	1,335	1,739
481	547	564	664	903
164	193	196	227	276
<u>2,466</u>	<u>2,902</u>	<u>3,508</u>	<u>4,379</u>	<u>5,777</u>
49	86	76	70	112
<u>2,515</u>	<u>2,988</u>	<u>3,584</u>	<u>4,449</u>	<u>5,889</u>

31	38	81	87	149
17	16	34	33	46
44	92	116	136	186
63	120	85	112	142
461	541	601	654	1,085
833	863	978	1,216	1,568
127	111	101	156	151
129	123	112	138	140
289	300	330	430	436
493	751	1,094	1,428	1,928
17	22	23	43	42
11	11	29	16	16
<u>2,515</u>	<u>2,988</u>	<u>3,584</u>	<u>4,449</u>	<u>5,889</u>

AMOUNT (\$000)

1967	1968	1969	1970	1971	1972
80,580	90,687	108,502	122,920	146,786	194,484
<u>32,552</u>	<u>29,566</u>	<u>44,938</u>	<u>41,708</u>	<u>49,194</u>	<u>67,826</u>
<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>

237	192	281	405	733	1,016
15,337	18,717	22,171	29,092	31,775	41,205
22,065	25,878	30,792	36,990	50,342	65,596
29,478	35,215	40,753	42,922	49,200	66,138
20,856	22,978	27,365	27,819	33,545	40,956
<u>87,973</u>	<u>102,980</u>	<u>121,362</u>	<u>137,228</u>	<u>165,595</u>	<u>214,911</u>
25,159	17,273	32,078	27,400	30,385	47,399
<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>
52	48	51	46	44	45

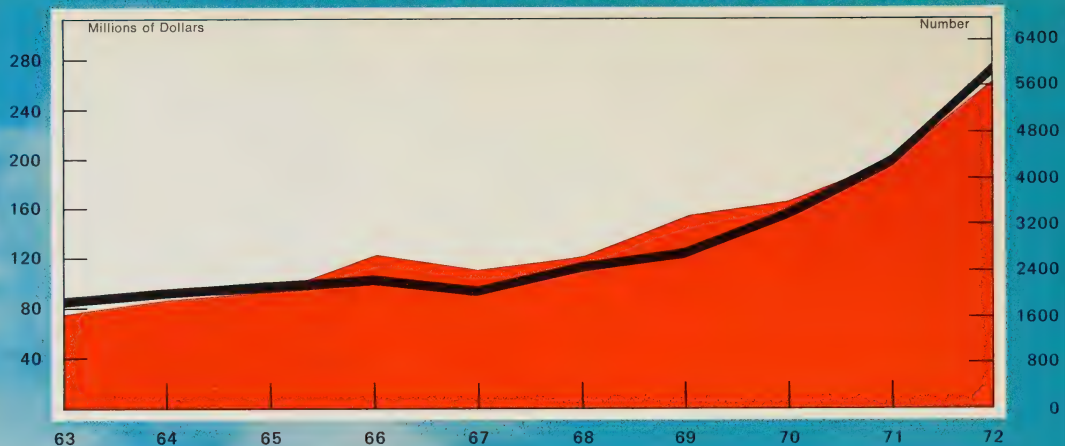
1,092	1,315	1,290	2,100	2,563	4,892
515	355	447	804	1,378	1,236
1,516	1,565	3,692	3,750	3,996	5,686
3,084	2,124	5,119	3,521	3,488	5,039
20,780	24,484	34,607	31,910	34,871	59,049
39,006	41,579	45,003	46,490	49,723	65,124
3,873	5,912	5,072	5,440	7,941	8,091
4,962	5,054	4,855	3,513	4,591	5,179
17,013	13,463	15,161	15,472	20,366	18,281
19,914	22,022	36,248	48,579	63,189	85,683
896	688	1,253	1,087	2,614	2,905
<u>481</u>	<u>1,692</u>	<u>693</u>	<u>1,962</u>	<u>1,260</u>	<u>1,145</u>
<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>



# LOAN APPROVALS During Fiscal Years Ended September 30

AMOUNT  
(left-hand scale)

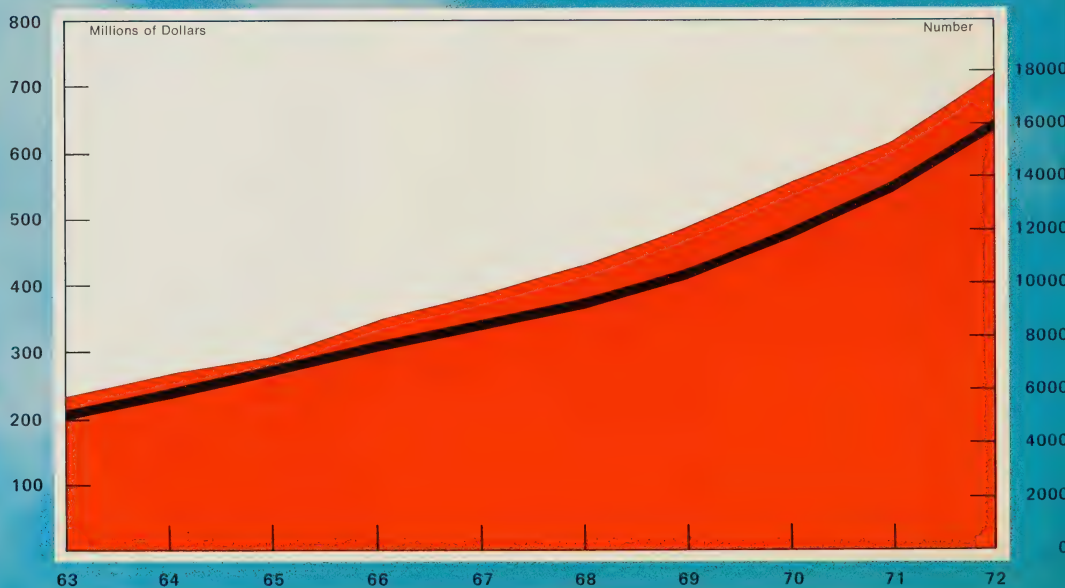
NUMBER  
(right-hand scale)



# LOANS ON THE BOOKS As at Fiscal Year-End September 30

AMOUNT  
OUTSTANDING  
OR COMMITTED  
(left-hand scale)

NUMBER OF  
CUSTOMERS  
(right-hand scale)



## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1972		Total Authorizations November 1, 1944 to September 30, 1972	
	Number of Busi- nesses	Amounts Out- standing or Committed (\$000)	Number of Businesses	Amounts (\$000)
Newfoundland .....	320	10,261	556	24,464
Prince Edward Island .....	114	3,572	174	12,352
Nova Scotia .....	471	14,753	807	41,018
New Brunswick .....	419	15,221	839	44,493
Quebec .....	2,920	157,812	5,238	443,468
Ontario .....	4,564	190,238	8,738	562,123
Manitoba .....	607	28,186	1,370	86,051
Saskatchewan .....	669	22,037	1,209	61,598
Alberta .....	1,671	67,466	3,045	172,494
British Columbia .....	4,159	197,194	6,236	391,006
Yukon .....	103	6,444	140	10,318
N.W. Territories .....	58	4,505	90	9,450
Total .....	<u>16,075</u>	<u>717,689</u>	<u>28,442</u>	<u>1,858,835</u>

## SUMMARY STATISTICS OF LOANS *for fiscal years ended September 30*

<i>(Millions of Dollars)</i>	1967	1968	1969	1970	1971	1972
Disbursements to borrowers .....	96.3	105.4	122.4	151.0	156.2	194.0
Repayments by borrowers including principal written off (net) .....	61.1	69.4	74.5	81.7	100.3	125.9
Increase in amounts outstanding .....	35.2	36.0	47.9	69.3	55.9	68.1
Amounts outstanding at year-end .....	332.4	368.4	416.3	485.6	541.5	609.6
Amounts not yet disbursed at year-end on loans authorized .....	55.1	57.7	72.4	69.9	73.4	108.1
Amounts outstanding plus undisbursed at year-end .....	387.5	426.1	488.7	555.5	614.9	717.7
Number of customers on the books at year- end .....	8,593	9,509	10,627	12,283	13,924	16,075
Average amount outstanding plus undisbursed per customer (thousands of dollars) .....	45	45	46	45	44	45



## Classification of loan approvals by type

### Manufacturing:

Foods and beverages .....	
Tobacco and tobacco products .....	
Rubber products .....	
Leather products .....	
Textile products (except clothing) .....	
Clothing (textiles and fur) .....	
Wood products .....	
Paper products (including pulp) .....	
Printing and allied industries .....	
Iron and steel products (including machinery and equipment) .....	
Transportation equipment .....	
Non-ferrous metal products .....	
Electrical apparatus and supplies .....	
Non-metallic mineral products .....	
Products of petroleum and coal .....	
Chemical products .....	
Miscellaneous manufacturing industries .....	
Commercial air services .....	
Warehousing (including refrigeration) .....	
Other transportation and storage .....	
Electric power, gas, water utilities .....	
Mines (incl. milling), quarries, oil wells .....	
Construction .....	
Industrial buildings .....	
Personal services .....	
Forestry .....	
Wholesale trade .....	
Retail trade .....	
Education and health services .....	
Recreation services .....	
Services to business management .....	
Miscellaneous services .....	
Agriculture .....	
Fishing and trapping .....	
Communications .....	
Laundries, cleaners and pressers .....	
Restaurants and other eating places .....	
Hotels, motels and other lodgings .....	
Theatres, bowling alleys, billiard halls .....	

(Enterprises engaged in more than one type of business are classified according to major activity.)

# of business during fiscal years ended September 30

NUMBER						AMOUNT (\$000)					
1967	1968	1969	1970	1971	1972	1967	1968	1969	1970	1971	1972
125	137	138	120	153	175	7,411	7,423	8,682	7,938	8,773	10,880
—	1	—	1	—	—	—	40	—	32	—	—
5	6	17	10	10	16	252	206	1,141	855	642	1,616
13	8	13	13	9	21	577	364	809	434	369	908
24	19	21	18	18	32	1,777	2,375	1,697	1,743	2,145	4,526
35	27	35	28	40	50	2,727	1,444	2,439	1,510	1,768	2,521
102	100	126	144	168	274	7,078	4,825	8,068	9,454	13,546	19,125
22	7	18	18	13	28	1,516	272	2,609	1,279	938	1,636
48	56	55	62	104	107	2,636	2,036	3,083	2,276	4,395	3,040
171	199	195	211	233	283	9,297	11,121	12,764	14,058	11,168	14,088
22	31	30	34	39	49	1,215	1,788	1,704	2,073	2,342	2,499
7	11	7	8	12	7	841	484	439	635	547	187
17	18	17	21	29	31	1,687	1,358	1,143	928	1,653	1,329
34	41	39	52	52	60	1,361	3,049	2,474	2,477	2,706	3,983
2	—	—	5	2	1	152	—	—	317	50	200
19	24	22	21	24	35	745	1,429	1,845	1,282	1,009	1,802
47	50	65	71	85	125	1,939	1,992	3,114	3,663	3,574	4,419
25	21	23	20	42	40	6,040	833	1,351	974	2,560	3,532
10	5	9	10	6	14	916	275	602	896	482	1,808
63	77	77	96	118	123	6,255	4,456	6,775	4,596	4,832	4,837
7	6	4	12	10	10	154	195	165	592	373	209
18	17	21	25	30	29	1,129	1,123	1,529	1,182	1,424	2,226
127	157	174	194	239	298	4,945	6,163	7,181	7,799	9,728	9,606
79	145	201	222	286	357	4,443	10,026	10,749	12,318	14,672	18,144
23	14	25	28	39	60	706	616	773	576	855	1,704
16	11	6	15	24	30	661	257	193	566	1,060	1,170
159	154	204	220	262	338	8,129	6,992	10,322	10,978	13,396	16,993
342	430	501	639	819	1,247	13,455	14,781	17,225	21,520	23,713	39,756
20	48	34	66	67	63	1,189	1,912	2,143	3,664	3,102	2,738
31	42	39	57	84	99	1,504	1,876	2,115	2,620	4,157	5,699
31	28	40	57	71	78	716	801	1,594	1,731	2,003	2,154
46	53	57	79	85	112	2,116	1,969	1,591	2,352	2,890	3,309
169	199	194	246	338	416	6,121	8,355	7,865	9,534	11,415	16,479
7	11	13	21	17	31	143	208	195	359	485	810
17	7	16	13	13	12	1,075	365	778	616	456	787
32	47	56	74	91	99	1,059	2,086	1,572	2,429	2,308	2,894
91	110	173	254	356	599	3,304	4,126	7,135	9,242	11,475	21,720
147	184	299	374	431	511	7,019	12,261	18,594	17,826	27,850	31,920
15	14	24	25	30	29	842	371	982	1,304	1,119	1,056
<u>2,168</u>	<u>2,515</u>	<u>2,988</u>	<u>3,584</u>	<u>4,449</u>	<u>5,889</u>	<u>113,132</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>





## Income and Expense

Year ended September 30, 1972

### INCOME

Interest .....	
Profit on sale of investments .....	
Sundry .....	

### EXPENSE

Salaries .....	
Pension fund, unemployment insurance and group insurance .....	
Other staff expenses .....	
Investigation and supervision expenses .....	
Travel and transfer expenses .....	
Rental and other costs — leased premises .....	
Depreciation on fixed assets .....	
Advertising .....	
Other public information .....	
Telephone and telegrams .....	
Office supplies and expenses .....	
Directors' fees .....	
Auditors' fees and expenses .....	
All other operating expenses .....	
Total operating expenses .....	
Interest on debentures (including amortization of discount and premium) .....	
Allowance for doubtful accounts .....	

Balance of income transferred to reserve fund .....

(with comparative figures for 1971)

## Reserve fund

(\$000)	(\$000)
1972	1971
\$55,103	\$47,502
100	215
<u>1,414</u>	<u>1,025</u>
<u>56,617</u>	<u>48,742</u>
9,338	7,654
1,218	990
270	237
210	184
732	547
1,244	1,035
253	140
179	102
276	157
345	275
477	410
13	16
23	23
<u>125</u>	<u>105</u>
14,703	11,875
33,933	30,730
<u>4,369</u>	<u>4,158</u>
<u>53,005</u>	<u>46,763</u>
<u>\$ 3,612</u>	<u>\$ 1,979</u>

### STATEMENT OF RESERVE FUND

Year ended September 30, 1972 (with comparative figures for 1971)

	(\$000)	(\$000)
	1972	1971
Balance, beginning of year	\$23,219	\$21,240
Balance of income for the year	<u>3,612</u>	<u>1,979</u>
Balance, end of year	<u>\$26,831</u>	<u>\$23,219</u>

## Allowance for doubtful accounts

### STATEMENT OF ALLOWANCE FOR DOUBTFUL ACCOUNTS

Year ended September 30, 1972

		(\$000)
Balance, beginning of year		\$13,900
Add:		
Recovery of amounts previously written off	\$ 73	
Allowance for doubtful accounts for the year ended September 30, 1972	<u>4,369</u>	<u>4,442</u>
Less:		18,342
Bad debts written off		<u>1,342</u>
Balance, end of year		<u>\$17,000</u>



## Statement of Assets and Liabilities

### ASSETS

Government of Canada Treasury Bills .....

Loans and investments .....

Interest due and accrued .....

Property held for sale .....

Less allowance for doubtful accounts .....

Fixed assets, at cost less accumulated depreciation .....

Other assets .....

**NOTE:** Amounts not disbursed at September 30, 1972 on loans and investments authorized, \$108,208,706 (1971—\$73,406,487).

L. RASMINSKY

President

A. ROUSSEAU

Chief Accountant

*Fur dressing.*

# as at September 30, 1972 (with comparative figures for 1971)

## LIABILITIES

1972	1971		1972	1971
\$ 6,994,584	\$ 7,599,182	Cheques outstanding (less cash) . . . . .	\$ 6,859,499	\$ 5,225,368
		Accrued interest on debentures . . . . .	14,451,969	13,253,737
611,504,685	543,146,547	Other liabilities . . . . .	779,202	851,099
3,707,003	3,432,887		22,090,670	19,330,204
3,082,484	2,785,055	Debentures outstanding . . . . .	501,700,000	445,500,000
618,294,172	549,364,489	Debenture premium and discount less amortization . . . . .	601,202	720,146
17,000,000	13,900,000		502,301,202	446,220,146
601,294,172	535,464,489	Capital:		
		Authorized:		
731,700	482,000	750,000 shares, par value of \$100 each		
201,965	223,363	Issued and outstanding:		
		580,000 shares (550,000 shares in 1971) . . . . .	58,000,000	55,000,000
		Reserve fund . . . . .	26,830,549	23,218,684
			84,830,549	78,218,684
\$609,222,421	\$543,769,034		\$609,222,421	\$543,769,034

## AUDITORS' REPORT

We have examined the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1972 and the statements of income and expense and of reserve fund for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Bank as at September 30, 1972 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GÉRALD PRÉFONTAINE, C.A.  
of Séguin, Ménard, Patenaude, Préfontaine & Cie

A. JOHN LITTLE, F.C.A.  
of Clarkson, Gordon & Co.

Ottawa, October 23, 1972



## Board of Directors

---

*L. Rasminsky, C.C., C.B.E.	Ottawa, Ont.
*G. K. Bouey	Ottawa, Ont.
P. A. Archibald	Antigonish, N.S.
J. G. Burchill	Nelson-Miramichi, N.B.
R. W. Campbell	Calgary, Alta.
*J. F. Grandy	Ottawa, Ont.
W. R. Jenkins	Charlottetown, P.E.I.
*S. Kanee	Winnipeg, Man.
S. G. Lake	Burgeo, Nfld.
*J. L. Lewtas, O.C.	Toronto, Ont.
D. F. Matheson	Yorkton, Sask.
*S. S. Reisman	Ottawa, Ont.
M. Riel, O.C.	Montreal, Que.
D. W. Slater	Toronto, Ont.
*J. Taschereau	Quebec, Que.
A. Walton	Vancouver, B.C.

\*Member of the Executive Committee



# Officers

President . . . . .	L. Rasminsky, C.C., C.B.E.	
General Manager . . . . .	E. R. Clark . . . . .	Montreal
Assistant General Manager . . . . .	C. E. DeAthe . . . . .	Montreal
Assistant General Manager . . . . .	H. J. C. Russell . . . . .	Montreal
Assistant General Manager, Atlantic Region . . . . .	K. A. Powers . . . . .	Halifax
Assistant General Manager, Quebec Region . . . . .	J. E. Nordin . . . . .	Montreal
Assistant General Manager, Ontario Region . . . . .	W. C. Stuart . . . . .	Toronto
Assistant General Manager, Prairie Region . . . . .	J. C. Ingram . . . . .	Winnipeg
Assistant General Manager, British Columbia Region . . . . .	J. E. Millard . . . . .	Vancouver
Secretary . . . . .	G. Hamilton . . . . .	Ottawa
Deputy Secretary . . . . .	P. D. Smith . . . . .	Ottawa
Chief Accountant . . . . .	A. Rousseau . . . . .	Ottawa
Auditor . . . . .	R. F. Hirsch . . . . .	Ottawa
Deputy Auditor . . . . .	D. A. Thompson . . . . .	Ottawa

## General Manager's Office

### Credit Department

Superintendent: G. Bourbonnière  
Assistant Superintendent: H. P. Carmichael

### Controller's Department

Controller: R. L. McLean  
Assistant Controller: R. G. Forsythe  
Assistant Controller: M. Pellegrino

### Methods and Procedures

Administrative Assistant: C. R. T. Bingley  
Administration Officer: J. A. Sutherland

### Advisory Services

Director: E. C. Scott

### Insurance Department

Superintendent: K. J. H. Pasqual  
Assistant Superintendent: H. Montbriand

### Secretarial

Deputy Secretary: G. R. d'Artois  
Deputy Secretary: Miss J. Julien

### Personnel Department

Superintendent: P. F. Limoges  
Assistant Superintendent: J. B. S. Oldaker  
Personnel Officer: J. T. D. Mulqueen  
Assistant Personnel Officer: Mrs. G. D. Schneider

### Legal Department

General Solicitor: D. R. Urquhart  
Associate General Solicitor: Guy Bousquet, Q.C.

### Planning, Premises and Equipment

Administrative Assistant: P. M. Bourassa  
Administration Officer: T. F. Clahane

### Investigation Department

Chief Engineer: A. Mackie

### Research Department

Research Officer: L. E. Barclay  
Assistant Research Officer: T. J. Dettman

### Information

Information Officer: J. W. Sivers

# Officers (continued)

## REGIONAL AND BRANCH OFFICES

### ATLANTIC REGION

#### Regional Office

*Assistant General Manager:* K. A. Powers

*Supervisor:* J. G. Kenna

*Regional Engineer:* E. G. Jopling

*Regional Solicitor:* G. P. Bauchman

*Administration Officer:* J. P. Michaud

1583 Hollis Street, Halifax

1583 Hollis Street, Halifax

#### St. John's

*Manager:* M. F. Clooney

*Assistant Manager:* G. W. Kyte

85 Elizabeth Avenue

#### Halifax

*Manager:* W. Y. Torrance

*Assistant Manager:* J. B. Lane

1583 Hollis Street

#### Sydney

*Manager:* A. Highet

195 Charlotte Street

#### Saint John

*Manager:* R. M. Williams

75 Prince William Street

#### Moncton

*Manager:* J. M. Boucher

236 St. George Street

#### Charlottetown

*Manager:* J. A. Clinton

51 University Avenue

### QUEBEC REGION

#### Regional Office

*Assistant General Manager:* J. E. Nordin

*Supervisor:* J. Y. Milette

*Assistant Supervisors:* J. Y. Bernier, J. M. Dunbar

*Regional Engineer:* R. Bernaquez

*Regional Solicitor:* K. F. McNamee, Q.C.

*Assistant Regional Solicitor:* R. Gauthier

800 Victoria Square, Montreal

800 Victoria Square, Montreal

#### Rimouski

*Manager:* M. Dépot

320 St. Germain Street, East

#### Chicoutimi

*Manager:* M. D. Légaré

152 Racine Street, East

#### Quebec

*Manager:* J. R. Leduc

*Assistant Manager:* J. A. Boudreau

925 Chemin St. Louis

#### Trois-Rivières

*Manager:* J. C. Martin

550 Bonaventure Street

#### Sherbrooke

*Manager:* C. L. L'Espérance

1845 King Street, West

#### Longueuil

*Manager:* G. H. Bourque

101 Place Charles Lemoyne

#### Montreal (North)

*Manager:* J. Lagacé

*Assistant Managers:* R. F. Harriman, R. Trudeau

110 Cremazie Boulevard, West,  
Montreal

#### Montreal (South)

*Manager:* G. W. Madore

*Assistant Managers:* W. Forman, P. G. Malépart

800 Victoria Square, Montreal

#### Rouyn-Noranda

*Manager:* J. R. Lafond

65 Mgr Tessier Street, Rouyn

#### Ottawa

*Manager:* P. H. Johnson

*Assistant Manager:* B. Hryniowski

151 Sparks Street



## Officers (continued)

### ONTARIO REGION

#### Regional Office

*Assistant General Manager:* W. C. Stuart

250 University Avenue, Toronto

*Supervisor:* E. A. Bell

250 University Avenue, Toronto

*Assistant Supervisors:* K. K. Hay-Roe, W. H. Jay

*Regional Engineer:* C. H. Cleghorn

*Regional Legal Officer:* B. K. Grafen

*Administration Officer:* R. J. Collins

#### Kingston

*Manager:* E. A. Duddle

797 Princess Street

#### Metropolitan Toronto

*Manager:* J. G. Wilson

250 University Avenue, Toronto

*Assistant Managers:* R. A. Lewis, M. G. H. O'Reilly

#### Toronto-North

*Manager:* M. D. Rudkin

4430 Bathurst Street, Downsview

*Assistant Managers:* E. D. McCrindell, H. C. Tomasson

#### Mid-Ontario

*Manager:* R. T. Mactavish

250 University Avenue, Toronto

*Assistant Managers:* J. D. Carruthers, R. W. Parker

#### Hamilton

*Manager:* J. T. Horne

20 Hughson Street, South

*Assistant Manager:* J. R. Sugden

#### St. Catharines

*Manager:* R. J. Kenny

205 King Street

#### Kitchener-Waterloo

*Manager:* K. W. Bolam

305 King Street, West, Kitchener

*Assistant Manager:* D. C. Sedgwick

#### London

*Manager:* C. B. Ready

197 York Street

*Assistant Manager:* B. B. Baron

#### Windsor

*Manager:* R. V. Crank

500 Ouellette Avenue

*Assistant Manager:* Miss R. W. Jesshope

#### Sudbury

*Manager:* J. O. Skerry

96 Larch Street

*Assistant Manager:* K. G. Hopper

#### Sault Ste. Marie

*Manager:* J. R. Bernard

452 Albert Street, East

#### Thunder Bay

*Manager:* R. C. Allison

106 Centennial Square

#### Kenora

*Manager:* J. P. Roberts

120 Second Street, South

### PRAIRIE REGION

*(including Northwest Territories  
and Yukon Territory)*

*Assistant General Manager:* J. C. Ingram

161 Portage Avenue, Winnipeg

#### Regional Office

*Supervisor:* R. H. Wheeler

161 Portage Avenue, Winnipeg

*Assistant Supervisor:* C. V. Spielman

*Regional Engineer:* D. G. McCrae

*Regional Solicitor:* H. K. Olson

*Administration Officer:* H. D. Ramsey

#### Winnipeg

*Manager:* D. A. Kerley

161 Portage Avenue

*Assistant Manager:* L. H. Lieberman

# Officers (continued)

## PRAIRIE REGION (cont'd)

Brandon	<i>Manager:</i> R. J. Clinchy	144 Sixth Street
Regina	<i>Manager:</i> G. J. Hiltz <i>Assistant Manager:</i> K. T. James	2220-12th Avenue
Saskatoon	<i>Manager:</i> D. K. Wiggins <i>Assistant Manager:</i> W. L. Hutton	1102 CN Towers, Midtown Plaza
Lethbridge	<i>Manager:</i> T. F. Ching <i>Assistant Manager:</i> J. E. Evans	740-4th Avenue, South
Calgary	<i>Manager:</i> H. W. Baker <i>Assistant Managers:</i> N. L. Crowe, J. W. Melymick	404 Sixth Avenue, S.W.
Edmonton	<i>Manager:</i> O. H. Morgan <i>Assistant Managers:</i> R. J. McGregor, L. A. Zachary	10150-100th Street
Grande Prairie	<i>Manager:</i> D. S. Brown <i>Assistant Manager:</i> L. C. Holmstrom	10104-101 Avenue

## BRITISH COLUMBIA REGION

Regional Office	<i>Assistant General Manager:</i> J. E. Millard <i>Supervisor:</i> L. F. Smith <i>Assistant Supervisors:</i> I. D. MacLaren, N. J. Weedmark <i>Regional Engineer:</i> G. B. G. Ross <i>Regional Solicitor:</i> T. A. James <i>Administration Officer:</i> R. E. McMurray	900 West Hastings Street, Vancouver 900 West Hastings Street, Vancouver
Cranbrook	<i>Manager:</i> K. E. Neilson	30 South 11th Avenue
Kelowna	<i>Manager:</i> K. R. Miller <i>Assistant Manager:</i> R. M. Leite	1460 Pandosy Street
Prince George	<i>Manager:</i> G. Kirkwood <i>Assistant Managers:</i> T. G. Gilmour, M. Kartasheff	1320 Fifth Avenue
Chilliwack	<i>Manager:</i> M. Gumprich <i>Assistant Manager:</i> R. G. Newman	Kamar Plaza, 45850 Yale Road, West
New Westminster	<i>Manager:</i> M. T. Collins <i>Assistant Managers:</i> E. T. Brignall, E. J. Popil	765-6th Street
Vancouver	<i>Manager:</i> R. B. Thomas <i>Assistant Managers:</i> D. M. Carter, G. C. Hamilton	885 Dunsmuir Street
North Vancouver	<i>Manager:</i> R. W. Gray	145 West 15th Street
Victoria	<i>Manager:</i> R. P. Dohan <i>Assistant Manager:</i> P. B. Smith	777 Broughton Street
Campbell River	<i>Manager:</i> K. E. Phillips	427 Tenth Avenue



## Summary of operations 1944-1972

### Fiscal years ended September 30

#### LOANS AND INVESTMENTS

Authorized during period .....	
Less: cancellations and reductions .....	
Net authorizations .....	
Disbursements .....	
Less: repayments and write-offs of principal .....	
Increase in amounts outstanding .....	

#### INCOME AND EXPENSE

Income from loans and investments (interest and dividends) .....	
Other income .....	
Total income .....	
Operating expenses .....	
Salaries and other staff expenses .....	
Other .....	
Total operating expenses .....	
Cost of debentures .....	
Net income before allowance for doubtful accounts .....	
Allowance for doubtful accounts .....	
Transferred to reserve fund .....	

#### WRITE-OFFS

Bad debts written off, net .....	
----------------------------------	--

#### YEAR-END BALANCE SHEET

Loans and investments, including agreements for sale .....	
Less: allowance for doubtful accounts .....	
All other assets .....	
Total assets .....	
Capital, issued and paid up .....	
Reserve fund .....	
Debentures outstanding .....	
All other liabilities .....	
Total liabilities .....	

*Production of drapes and bedspreads.*

Thousands of dollars)

November 1944 to 1964	1965	1966	1967	1968	1969	1970	1971	1972	Cumulative Total
632,698	96,246	122,664	113,442	120,297	153,440	164,628	195,980	262,412	1,861,807
89,008	12,418	14,771	14,223	12,171	16,353	16,089	36,409	33,621	245,063
543,690	83,828	107,893	99,219	108,126	137,087	148,539	159,571	228,791	1,616,744
503,678	81,141	98,143	96,631	105,466	122,376	150,961	156,168	193,997	1,508,561
279,450	50,224	55,181	61,197	69,721	74,596	81,696	100,397	125,892	898,354
224,228	30,917	42,962	35,434	35,745	47,780	69,265	55,771	68,105	610,207
77,508	16,638	19,293	22,863	26,396	30,575	38,257	47,505	55,103	334,138
4,827	469	482	583	659	535	619	1,237	1,514	10,925
82,335	17,107	19,775	23,446	27,055	31,110	38,876	48,742	56,617	345,063
21,186	3,884	4,794	5,300	5,916	6,762	7,618	8,881	10,826	75,167
7,343	1,411	1,596	1,746	1,910	2,104	2,559	2,994	3,877	25,540
28,529	5,295	6,390	7,046	7,826	8,866	10,177	11,875	14,703	100,707
30,129	9,549	11,457	13,875	16,478	20,107	26,102	30,730	33,933	192,360
23,677	2,263	1,928	2,525	2,751	2,137	2,597	6,137	7,981	51,996
6,194	1,323	1,393	1,891	1,976	1,764	2,097	4,158	4,369	25,165
17,483	940	535	634	775	373	500	1,979	3,612	26,831
1,695	573	393	641	726	1,264	847	758	1,269	8,166
255,328	298,415	334,744	371,350	419,232	487,486	543,147	611,505		
-5,250	-6,250	-7,500	-8,750	-9,250	-10,500	-13,900	-17,000		
6,703	6,698	6,061	7,597	3,773	10,467	14,522	14,717		
<u>256,781</u>	<u>298,863</u>	<u>333,305</u>	<u>370,197</u>	<u>413,755</u>	<u>487,453</u>	<u>543,769</u>	<u>609,222</u>		
38,000	41,000	44,000	47,000	51,000	53,000	55,000	58,000		
18,423	18,958	19,592	20,367	20,740	21,240	23,219	26,831		
195,400	232,800	262,500	293,600	331,500	394,100	445,500	501,700		
4,958	6,105	7,213	9,230	10,515	19,113	20,050	22,691		
<u>256,781</u>	<u>298,863</u>	<u>333,305</u>	<u>370,197</u>	<u>413,755</u>	<u>487,453</u>	<u>543,769</u>	<u>609,222</u>		











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Annual Report 1973

Industrial Development Bank





● IDB BRANCH OFFICES

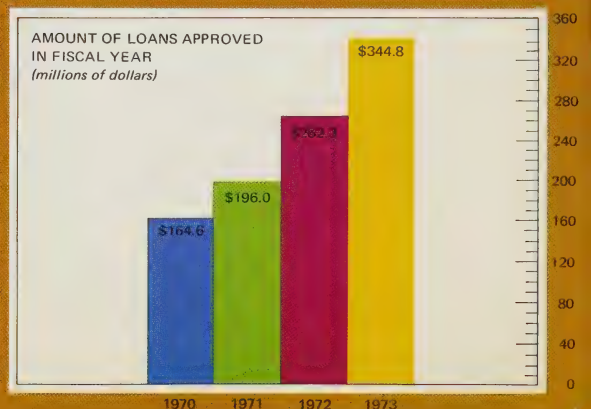
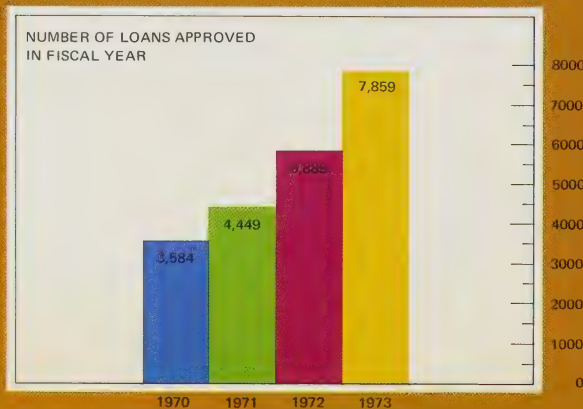
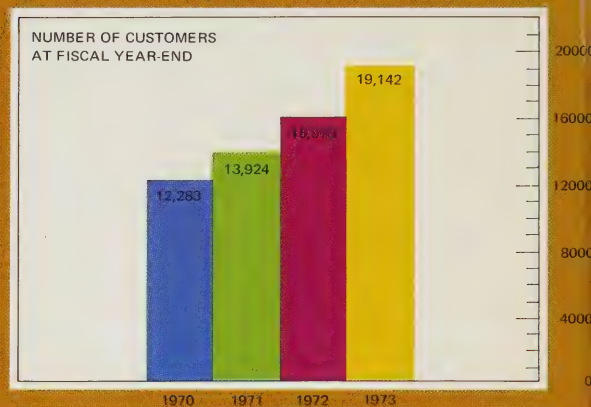
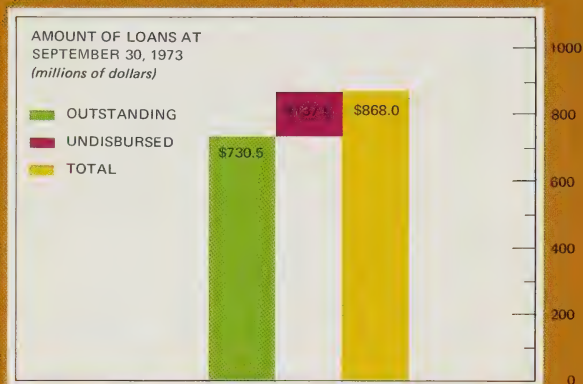


The Industrial Development Bank received nearly 10,000 applications for loans from businesses in fiscal 1973. About 83% of them resulted in loans to businesses which could not obtain financing from other sources on reasonable terms and conditions. IDB customers conduct almost every type of business and the facilities and activities of some of them are shown in the photographs in this report.

*Production of printed  
electronic circuits.*



# Highlights



Head Office

Ottawa

December 7th, 1973

The Hon. John N. Turner, P.C.  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ended September 30th, 1973, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,



President

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# Annual report of the President — 1973

## Growth 1944 - 1973

On September 30th last, the close of its 1973 fiscal year, the Industrial Development Bank completed twenty-nine years of providing financial assistance to small and medium-size businesses in Canada which were unable to obtain the financing they needed elsewhere on reasonable terms and conditions. During that time, it had discussions with close to 200,000 businesses, resulting in the authorization of 46,000 loans for \$2,200,000,000. It is estimated that the businesses assisted in this way employed a total of more than 600,000 people when their loans were approved; allowing for growth and expansion on the basis of the financial assistance provided, the total ultimate employment represented by the Bank's customers would certainly be greatly in excess of this figure.

During its first year of operations the Bank opened offices in Montreal, Toronto, and Vancouver. Today, the Bank has 60 branch offices, located in every province and in each of the Territories.

## Recent Growth

The growth of the Bank has been particularly marked during the past five years. This was a reflection, in part, of general economic conditions and of the new business arising from the opening of branch offices. Over the five years, the Bank, in effect, more than doubled in size. It had more interviews with businessmen, made more loans, loaned more money, and opened more branches than in the first 24 years of its existence.

On the basis of an annual comparison, the Bank was nearly three times more active in fiscal 1973 than it was five years ago. In fiscal 1968, it approved 2,515 loans for \$120.2 million; in fiscal 1973, it approved 7,859 loans for \$344.8 million. Five years ago it handled 11,600 enquiries, and during the past year it received over 25,000. At September 30th, 1968, the Bank had \$426.1 million outstanding or committed to 9,509 customers; five years later, it had \$868 million out to 19,142 businesses.

In fiscal 1968, representatives from the branch offices made 743 advertised visits to smaller communities; last year they made 3,809 such visits. The Bank opened one branch office in 1968; in the past year, it opened 12 branches.

## Fiscal Year 1973

During the past year, the Bank's lending operations were conducted at a record level. There were 7,859 loans approved for a total amount of \$344,800,000 compared with 5,889 loans for \$262,300,000 in the previous year. This represented an increase of 33% in number and 31% in amount over fiscal 1972.

In fiscal 1973, the Bank had discussions with over 25,000 small businesses, of which about 23,000 were approaching the Bank for the first time. The Bank received and processed nearly 10,000 applications which involved a number of discussions with the applicant, an analysis of his financial position, contact with his chartered bank,

and an on-site investigation of his proposal. From these applications, the Bank approved 7,859 loans. This was more than double the number approved just three years ago.

Type of Business	Loan Approvals			
	Fiscal 1972		Fiscal 1973	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	1,294	\$ 72,758	1,495	\$ 79,671
Wholesale and retail trade	1,585	56,749	2,149	76,986
Tourist industry	1,209	59,340	1,627	83,226
Agriculture	416	16,479	545	22,719
Construction	298	9,606	422	16,676
Transportation and storage	177	10,177	267	12,350
Other	910	37,201	1,354	53,170
	<u>5,889</u>	<u>\$262,310</u>	<u>7,859</u>	<u>\$344,798</u>

## General Activity

In addition to increasing its lending activity, the Bank has increased its responsiveness to requests for assistance over the past five years. In 1968, the Bank approved 73% of the applications for financing which it received; in 1973, the proportion was 83%. In 1968, 21% of the enquiries received ultimately resulted in loans being made; this increased to 31% in 1973.



The Bank has also improved the efficiency of its service. The average time taken to process a loan application has been reduced from 40 days in 1968 to 15 days in 1973.

These improvements in responsiveness and in processing time were the result of revisions in methods and procedures made during the past five years. Because of these changes, a marked increase in the amount of business per employee has been possible.

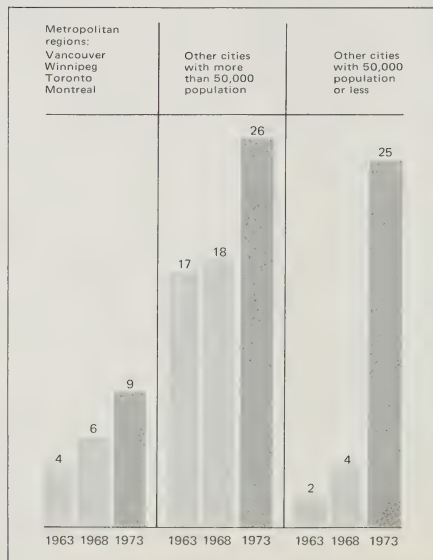
For many years, the Bank has operated its business on a markedly decentralized basis. In each of the five regions, namely, Atlantic, Quebec, Ontario, Prairie and Northern, and British Columbia, there is a regional office under the direction of a General Manager. The branch offices in the respective regions report to the regional offices. Each branch Manager or Assistant Manager, and the senior officers in the regional offices, have authorizing limits up to which they can approve loans without reference to a higher level of authority. As a result of this decentralization of the Bank's operations, approximately 65% of all loans are approved at the branch level, and 97% are approved at the branches or at the regional offices. Only 3% are referred to the Chief General Manager's Office in Montreal for authorization there or for recommendation to the Board of Directors.

No restrictions or limitations are imposed on the regional offices and branches in their efforts to serve the businessmen in their areas, and all are urged and encouraged to extend all the assistance that is possible. There is no allocation of funds among the regions. Each region is provided with

the funds required for whatever loans are made in the region. No preferential treatment is given to one region over another.

Through decentralization of management and the accelerated program of opening new branches the Bank endeavours to make its facilities more readily available to businessmen, and particularly to those conducting businesses where financial assistance may not be readily available from

NUMBER OF BRANCHES



Spun concrete utility poles.







conventional sources. In fiscal 1973, the Bank opened branch offices in Corner Brook, Nfld.; Sept-Îles, St-Jérôme and Hull, Quebec; Oshawa, Barrie, Oakville, Chatham and Timmins, Ontario; Red Deer, Alberta; and Kamloops and Terrace, British Columbia.

Recently, the Bank opened offices at Whitehorse and at Yellowknife in the Yukon and Northwest Territories, respectively, where IDB has found a unique opportunity for its services. Last year it authorized 85 loans for \$5,300,000 in the two territories and, at September 30th, it had \$13,500,000 outstanding in loans to 194 businesses.

The Montreal (South) branch has opened a small office in the east end of Montreal as an extension of its service in that area, and to provide closer contact with businessmen there.

The Ontario Region has established a Northern Ontario District Office at Sault Ste. Marie to provide local supervision and guidance for the five branch offices in the area.

In Nova Scotia, the Halifax branch is sending a mobile van on tours to various towns in the province as a means of bringing the Bank's services closer to smaller centres.

The Bank conducts a variety of activities designed to make its services known in the business community. Last year, officers made around 200 speeches to service clubs, Chambers of Commerce, and other groups; they also attended about 300 business meetings of various kinds. The Bank's film was shown 180 times to a total audience of 6,500

and it was shown 30 times on television. The Bank also had displays at several trade fairs; its slide show was presented in these displays and at various conferences and meetings. A general advertising program was conducted in some newspapers and periodicals and on television, with the latter being directed towards smaller and more remote communities.

A principal publicity activity of the Bank is the program of visits by representatives from IDB branch offices to smaller centres. These visits are advertised in advance and businessmen are invited to discuss financing proposals with the Bank's representatives. In fiscal 1973, 3,809 visits were made to 571 different communities. Around 30% of the enquiries received by the Bank and about 20% of its loans result from advertised visits.

### Policy—Availability of Credit

Under the terms of the Act of Parliament incorporating the Bank, IDB may provide financial assistance to businesses which are unable to obtain such help from other sources on reasonable terms and conditions. This unusual assignment places heavy responsibility on the judgment and discretion of the officers of the Bank who make a sincere and conscientious effort to observe the full spirit of this responsibility. This is not to say that errors in judgment are never made in applying the principle of only assisting where the money is not available elsewhere on reasonable terms and conditions. Nonetheless, a genuine effort is made to reach a correct judgment in each case.

Apart from formal instructions to all officers and constant attention at all levels within the

Bank, each applicant for a loan signs an application form in which is a statement that he is "unable to obtain the loan from other sources on reasonable terms and conditions". When discussing a loan proposal with an applicant, his prospects of obtaining the required money from other lenders are usually reviewed. Frequently he is asked to give positive assurances that he has been unsuccessful in attempts to obtain the money elsewhere and, in the case of larger amounts, these assurances are provided in the form of letters of refusal from alternative sources of financing.

Reflecting, in part, the increasing availability of credit from other sources, particularly in higher amounts, the proportion of larger IDB loans has dropped over the past five years as follows:

	Fiscal Years	
	1968	1973
Loans over \$200,000 . . . . .	2.0%	1.8%
Loans for \$100,000—\$200,000 . . .	6.5%	4.9%
Loans for \$50,000—\$100,000 . . . .	19.1%	15.9%
Loans under \$50,000 . . . . .	72.4%	77.4%

The average size of IDB loans also decreased from \$48,000 in 1968 to \$44,000 in 1973.

### Policy—Interest Rates

During fiscal 1973, the average interest rate on new loans was 9.7%. The Bank sets its interest rates on new loans on the basis of market conditions, while avoiding drastic changes in its rates.

It is the policy of the Bank to apply to small loans rates of interest that are lower than its average rate and to large loans somewhat higher



than average rates, since in this latter case alternative sources of financing are more likely to be encountered.

### Operations—Fiscal 1973

The Bank's total income for the year increased to \$67.1 million from \$56.6 million in 1972. The program of branch openings and the increased lending activity resulted in an increase in operating expenses from \$14.7 million to \$18.1 million in 1973. Net income before allowance for doubtful accounts increased from \$7.9 million in 1972 to \$8.7 million in 1973.

Income and expenses are shown below for the last five years, calculated as percentages of loans and investments outstanding during the respective years:

	Fiscal 1969	Fiscal 1970	Fiscal 1971	Fiscal 1972	Fiscal 1973
Income	7.92%	8.59%	9.43%	9.86%	10.04%
Operating costs	2.26	2.25	2.30	2.56	2.71
Cost of debentures	5.12	5.77	5.94	5.91	6.03
Net income before allowance for doubtful accounts	.54	.57	1.19	1.39	1.30

During the year, bad debts totalling \$1,478,350 were written off, and \$91,064 previously written off was recovered. An additional allowance for doubtful accounts of \$3.5 million was provided from profits.

The balance of income for fiscal 1973, which was \$3,799,363 after allowance for doubtful accounts, increased the Reserve Fund to \$30,629,912.

### Operations—Loss Experience

IDB is operating in a field which inevitably carries more risk than is normal in the commercial field. A substantial proportion of the Bank's customers — ranging as high as 40% in some areas — experience some business difficulties during the life of their IDB loan and the Bank's officers attempt to give constructive assistance in a variety of ways to help resolve the problems.

Inevitably, in some cases, a solution cannot be found and the Bank may find itself faced with a loss on its loan. During fiscal 1973, write-offs amounted to \$1,478,350 bringing the total net amount written off by the Bank on its loans to \$9,553,000. It is not possible to derive, from this latter figure, a measure of the Bank's loss experience by relating it to such simple yardsticks as loans outstanding or authorized. For one thing, the Bank usually exercises a great deal of patience while a solution to a borrower's problem is sought and before it may finally be obliged to realize upon its security, and perhaps write off part of the loan balance. This means that most of the amounts written off up to the end of fiscal 1973 arose from loans made many years before.

A study of the Bank's experience with loans authorized in individual years, has indicated that a fair measure of its loss experience would be around 1¼% — 1½% of loan proceeds disbursed.

### Advisory Services

In 1972, the Bank established an Advisory Services department to help promote good management practices in small businesses. As a first









step, ten pamphlets in a series under the general heading of "Minding Your Own Business" have been prepared and issued free of charge. They give guidance on various aspects of small business management. To date, almost 300,000 pamphlets have been distributed and additional ones are being prepared. There are nearly 10,000 names on the mailing list to receive these pamphlets as they are issued. As well as the names of several thousand businessmen, the list includes chartered banks, professional associations, trade schools, universities and many others including several development banks throughout the world.

In every province and in the North, seminars are held in smaller communities covering management topics such as expanding a business, operating forecasts, and other subjects of particular interest to owners and managers of small businesses. During the past year, 117 seminars were held and were attended by 2,350 businessmen. It is planned to hold about 200 seminars in the coming year. These seminars are arranged in cooperation with local business organizations, teaching institutions, and other groups and are conducted by IDB personnel with the assistance of local guest speakers, chiefly chartered accountants and teachers.

As a further part of the program, libraries containing publications concerning small business management are located at branch offices of the Bank where they can be seen and consulted by interested businessmen.

Arrangements are being made for the presentation of a comprehensive small business management course, prepared by IDB, at

community colleges. The topics covered will include all aspects of small business management.

Plans are underway for the publication of a quarterly small business news bulletin to be distributed to interested persons and organizations.

The Bank has, for many years, provided training for employees of development banks in other countries. During the past year it received officers for training from five development banks. In addition, senior IDB officers went abroad on loan to counsel development banks in St. Lucia (B.W.I.), Iran, Nigeria and Ghana.

Representatives of the Bank attended the international conferences of the United Nations Industrial Development Organization in West Berlin, and of the Society for International Development, of which the Bank is a member, in Costa Rica. The UNIDO conference was attended by 167 delegates, mostly from development banks, representing 65 countries and this was the third such conference attended by IDB.

#### Staff

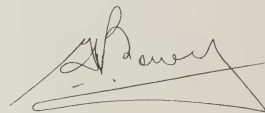
Mr. Louis Rasminsky, C.C., C.B.E., retired as President and Director of the Bank on February 1st last. I record the Directors' deep appreciation for the outstanding leadership which he gave to the Bank and the high esteem in which he was held by all who were associated with the Bank during his tenure of office.

On September 30th last, the staff of the Bank comprised 1,150 men and women. The Directors acknowledge with appreciation the loyal, dedicated

service of the staff through whose efforts the Bank reached, in 1973, a new high in its record of assisting smaller businesses in Canada.

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On July 11th, 1973, the Honourable Alastair Gillespie, Minister of Industry, Trade and Commerce, announced the Government's intention to introduce enabling legislation to establish a new independent Crown Corporation, incorporating the operations of the IDB, which in addition to financing services would provide management counselling and training, technical advice and information services about the range of government assistance to small business. The IDB has been participating actively with Government departments in the development of plans for the new corporation.



President





## Loan approvals during fiscal years ended September 30

	NUMBER
1968	
CLASSIFICATION BY NEW OR EXISTING BORROWERS:	
To new borrowers .....	1,850
To existing borrowers .....	665
Total .....	<u>2,515</u>

### CLASSIFICATION BY SIZE:

\$ 5,000 or less .....	44
Over 5,000 to 25,000 .....	1,107
Over 25,000 to 50,000 .....	670
Over 50,000 to 100,000 .....	481
Over 100,000 to 200,000 .....	164
Total up to \$200,000 .....	2,466
Over \$200,000 .....	49
Total .....	<u>2,515</u>
Average size .....	

### CLASSIFICATION BY PROVINCE:

Newfoundland .....	31
Prince Edward Island .....	17
Nova Scotia .....	44
New Brunswick .....	63
Quebec .....	461
Ontario .....	833
Manitoba .....	127
Saskatchewan .....	129
Alberta .....	289
British Columbia .....	493
Yukon .....	17
N.W. Territories .....	11
Total .....	<u>2,515</u>



1969	1970	1971	1972	1973
2,177	2,735	3,257	4,349	5,716
<u>811</u>	<u>849</u>	<u>1,192</u>	<u>1,540</u>	<u>2,143</u>
<u>2,988</u>	<u>3,584</u>	<u>4,449</u>	<u>5,889</u>	<u>7,859</u>

66	98	176	242	374
1,304	1,724	1,977	2,617	3,365
792	926	1,335	1,739	2,347
547	564	664	903	1,251
193	196	227	276	383
2,902	3,508	4,379	5,777	7,720
<u>86</u>	<u>76</u>	<u>70</u>	<u>112</u>	<u>139</u>
<u>2,988</u>	<u>3,584</u>	<u>4,449</u>	<u>5,889</u>	<u>7,859</u>

38	81	87	149	197
16	34	33	46	83
92	116	136	186	260
120	85	112	142	224
541	601	654	1,085	1,383
863	978	1,216	1,568	1,789
111	101	156	151	179
123	112	138	140	178
300	330	430	436	646
751	1,094	1,428	1,928	2,835
22	23	43	42	47
11	29	16	16	38
<u>2,988</u>	<u>3,584</u>	<u>4,449</u>	<u>5,889</u>	<u>7,859</u>

# AMOUNT (\$000)

1968	1969	1970	1971	1972	1973
90,687	108,502	122,920	146,786	194,484	251,356
<u>29,566</u>	<u>44,938</u>	<u>41,708</u>	<u>49,194</u>	<u>67,826</u>	<u>93,442</u>
<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>

192	281	405	733	1,016	1,521
18,717	22,171	29,092	31,775	41,205	52,736
25,878	30,792	36,990	50,342	65,596	88,198
35,215	40,753	42,922	49,200	66,138	92,832
22,978	27,365	27,819	33,545	40,956	55,834
102,980	121,362	137,228	165,595	214,911	291,121
<u>17,273</u>	<u>32,078</u>	<u>27,400</u>	<u>30,385</u>	<u>47,399</u>	<u>53,677</u>
<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>
48	51	46	44	45	44

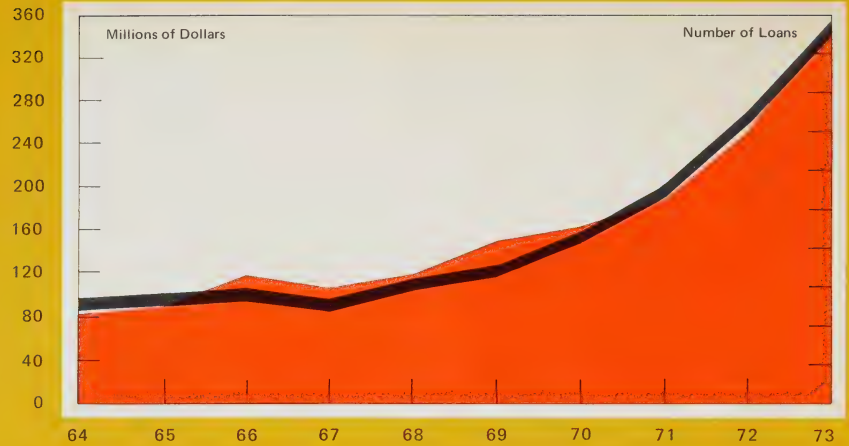
1,315	1,290	2,100	2,563	4,892	6,993
355	447	804	1,378	1,236	2,551
1,565	3,692	3,750	3,996	5,686	7,427
2,124	5,119	3,521	3,488	5,039	9,059
24,484	34,607	31,910	34,871	59,049	71,799
41,579	45,003	46,490	49,723	65,124	75,336
5,912	5,072	5,440	7,941	8,091	8,404
5,054	4,855	3,513	4,591	5,179	7,134
13,463	15,161	15,472	20,366	18,281	26,458
22,022	36,248	48,579	63,189	85,683	124,332
688	1,253	1,087	2,614	2,905	2,735
<u>1,692</u>	<u>693</u>	<u>1,962</u>	<u>1,260</u>	<u>1,145</u>	<u>2,570</u>
<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>



# **LOAN APPROVALS** during fiscal years ended September 30

AMOUNT  
(left-hand scale)

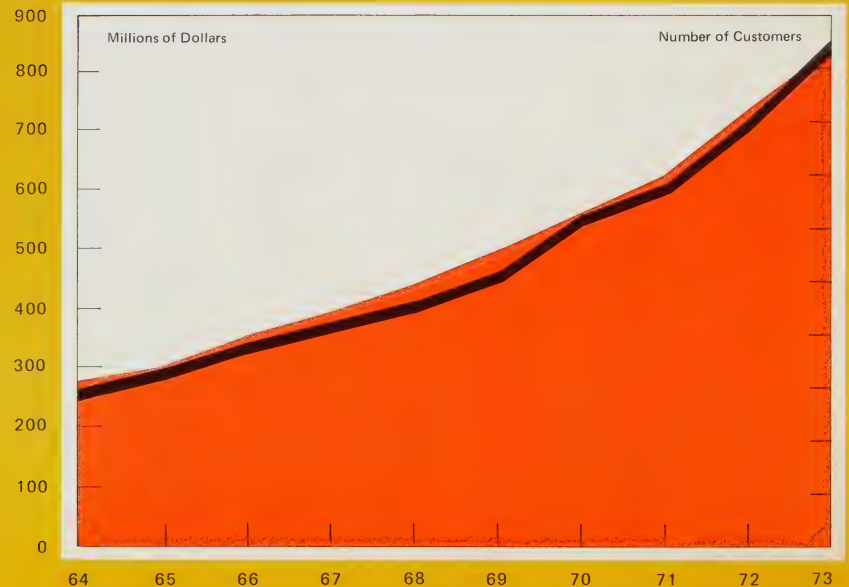
NUMBER  
(right-hand scale)



# **LOANS ON THE BOOKS** as at fiscal year-end September 30

AMOUNT  
OUTSTANDING  
OR COMMITTED  
(left-hand scale)

NUMBER OF  
CUSTOMERS  
(right-hand scale)



## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1973		Total Authorizations November 1, 1944 to September 30, 1973	
	Number of Busi- nesses	Amounts Out- standing or Committed (\$000)	Number of Businesses	Amounts (\$000)
Newfoundland .....	421	15,223	697	31,458
Prince Edward Island .....	162	5,407	237	14,903
Nova Scotia .....	575	18,055	988	48,446
New Brunswick .....	498	19,697	982	53,256
Quebec .....	3,526	190,679	6,267	516,064
Ontario .....	5,102	211,488	10,074	637,052
Manitoba .....	634	28,962	1,493	94,455
Saskatchewan .....	698	22,877	1,337	68,931
Alberta .....	1,905	74,684	3,559	198,906
British Columbia .....	5,427	267,415	8,236	515,058
Yukon .....	118	7,677	171	13,053
N.W. Territories .....	76	5,878	118	12,160
Total .....	<u>19,142</u>	<u>\$868,042</u>	<u>34,159</u>	<u>2,203,742</u>

## SUMMARY STATISTICS OF LOANS *for fiscal years ended September 30*

<i>(Millions of Dollars)</i>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Disbursements to borrowers .....	105.4	122.4	151.0	156.2	194.0	274.9
Repayments by borrowers including principal written off (net) .....	69.4	74.5	81.7	100.3	125.9	154.0
Increase in amounts outstanding .....	36.0	47.9	69.3	55.9	68.1	120.9
Amounts outstanding at year-end .....	368.4	416.3	485.6	541.5	609.6	730.5
Amounts not yet disbursed at year-end on loans authorized .....	57.7	72.4	69.9	73.4	108.1	137.5
Amounts outstanding plus undisbursed at year-end .....	426.1	488.7	555.5	614.9	717.7	868.0
Number of customers on the books at year- end .....	9,509	10,627	12,283	13,924	16,075	19,142
Average amount outstanding plus undisbursed per customer (thousands of dollars) .....	45	46	45	44	45	45



## Classification of loan approvals by type

### Manufacturing:

Foods and beverages .....	
Tobacco and tobacco products .....	
Rubber products .....	
Leather products .....	
Textile products (except clothing) .....	
Clothing (textiles and fur) .....	
Wood products .....	
Paper products (including pulp) .....	
Printing and allied industries .....	
Iron and steel products (including machinery and equipment) .....	
Transportation equipment .....	
Non-ferrous metal products .....	
Electrical apparatus and supplies .....	
Non-metallic mineral products .....	
Products of petroleum and coal .....	
Chemical products .....	
Miscellaneous manufacturing industries .....	
Commercial air services .....	
Warehousing (including refrigeration) .....	
Other transportation and storage .....	
Electric power, gas, water utilities .....	
Mines (incl. milling), quarries, oil wells .....	
Construction .....	
Industrial buildings .....	
Personal services .....	
Forestry .....	
Wholesale trade .....	
Retail trade .....	
Education and health services .....	
Recreation services .....	
Services to business management .....	
Miscellaneous services .....	
Agriculture .....	
Fishing and trapping .....	
Communications .....	
Laundries, cleaners and pressers .....	
Restaurants and other eating places .....	
Hotels, motels and other lodgings .....	
Theatres, bowling alleys, billiard halls .....	

(Enterprises engaged in more than one type of business are classified according to major activity.)

of business during fiscal years ended September 30

NUMBER						AMOUNT (\$000)					
1968	1969	1970	1971	1972	1973	1968	1969	1970	1971	1972	1973
137	138	120	153	175	164	7,423	8,682	7,938	8,773	10,880	9,642
1	—	1	—	—	1	40	—	32	—	—	250
6	17	10	10	16	12	206	1,141	855	642	1,616	684
8	13	13	9	21	18	364	809	434	369	908	651
19	21	18	18	32	27	2,375	1,697	1,743	2,145	4,526	1,854
27	35	28	40	50	70	1,444	2,439	1,510	1,768	2,521	2,931
100	126	144	168	274	287	4,825	8,068	9,454	13,546	19,125	16,595
7	18	18	13	28	31	272	2,609	1,279	938	1,636	3,301
56	55	62	104	107	140	2,036	3,083	2,276	4,395	3,040	3,676
199	195	211	233	283	341	11,121	12,764	14,058	11,168	14,088	19,140
31	30	34	39	49	100	1,788	1,704	2,073	2,342	2,499	6,629
11	7	8	12	7	11	484	439	635	547	187	521
18	17	21	29	31	27	1,358	1,143	928	1,653	1,329	1,343
41	39	52	52	60	67	3,049	2,474	2,477	2,706	3,983	3,000
—	—	5	2	1	4	—	—	317	50	200	210
24	22	21	24	35	44	1,429	1,845	1,282	1,009	1,802	2,344
50	65	71	85	125	151	1,992	3,114	3,663	3,574	4,419	6,899
21	23	20	42	40	45	833	1,351	974	2,560	3,532	2,208
5	9	10	6	14	10	275	602	896	482	1,808	1,107
77	77	96	118	123	212	4,456	6,775	4,596	4,832	4,837	9,036
6	4	12	10	10	15	195	165	592	373	209	349
17	21	25	30	29	29	1,123	1,529	1,182	1,424	2,226	1,163
157	174	194	239	298	422	6,163	7,181	7,799	9,728	9,606	16,676
145	201	222	286	357	529	10,026	10,749	12,318	14,672	18,144	27,932
14	25	28	39	60	67	616	773	576	855	1,704	1,650
11	6	15	24	30	89	257	193	566	1,060	1,170	2,593
154	204	220	262	338	390	6,992	10,322	10,978	13,396	16,993	19,282
430	501	639	819	1,247	1,759	14,781	17,225	21,520	23,713	39,756	57,703
48	34	66	67	63	80	1,912	2,143	3,664	3,102	2,738	3,350
42	39	57	84	99	113	1,876	2,115	2,620	4,157	5,699	5,207
28	40	57	71	78	93	801	1,594	1,731	2,003	2,154	2,866
53	57	79	85	112	211	1,969	1,591	2,352	2,890	3,309	6,357
199	194	246	338	416	545	8,355	7,865	9,534	11,415	16,479	22,719
11	13	21	17	31	33	208	195	359	485	810	691
7	16	13	13	12	12	365	778	616	456	787	314
47	56	74	91	99	149	2,086	1,572	2,429	2,308	2,894	4,065
110	173	254	356	599	834	4,126	7,135	9,242	11,475	21,720	33,070
184	299	374	431	511	680	12,261	18,594	17,826	27,850	31,920	44,949
14	24	25	30	29	47	371	982	1,304	1,119	1,056	1,841
<u>2,515</u>	<u>2,988</u>	<u>3,584</u>	<u>4,449</u>	<u>5,889</u>	<u>7,859</u>	<u>120,253</u>	<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>





## Income and Expense

Year ended September 30, 1973

### INCOME

Interest .....	
Profit on sale of investments .....	
Sundry .....	

### EXPENSE

Salaries .....	
Pension fund, unemployment insurance and group insurance .....	
Other staff expenses .....	
Investigation and supervision expenses .....	
Travel and transfer expenses .....	
Rental and other costs — leased premises .....	
Depreciation on fixed assets .....	
Advertising .....	
Other public information .....	
Telephone and telegrams .....	
Office supplies and expenses .....	
Directors' fees .....	
Auditors' fees and expenses .....	
All other operating expenses .....	
Total operating expenses .....	
Interest on debentures (including amortization of discount and premium) .....	
Allowance for doubtful accounts .....	
Balance of income transferred to reserve fund .....	

(See accompanying notes)

(with comparative figures for 1972)

## Reserve fund

1973	1972
\$64,559,334	\$55,103,216
334,493	99,545
2,189,628	1,414,268
<u>67,083,455</u>	<u>56,617,029</u>
11,161,338	9,337,841
1,663,604	1,218,197
332,600	270,506
263,467	209,885
875,319	732,448
1,538,251	1,243,530
318,832	253,396
197,733	179,010
482,010	275,796
451,293	344,981
620,364	477,192
14,800	12,770
30,772	23,000
168,825	124,555
<u>18,119,208</u>	<u>14,703,107</u>
40,277,598	33,933,284
4,887,286	4,368,773
<u>63,284,092</u>	<u>53,005,164</u>
<u>\$ 3,799,363</u>	<u>\$ 3,611,865</u>

### STATEMENT OF RESERVE FUND

Year ended September 30, 1973 (with comparative figures for 1972)

	1973	1972
Balance, beginning of year .....	\$26,830,549	\$23,218,684
Balance of income for the year .....	3,799,363	3,611,865
Balance, end of year .....	<u>\$30,629,912</u>	<u>\$26,830,549</u>

## Allowance for doubtful accounts

### STATEMENT OF ALLOWANCE FOR DOUBTFUL ACCOUNTS

Year ended September 30, 1973

Balance, beginning of year .....		\$17,000,000
<i>Add:</i>		
Recovery of amounts previously written off .....	\$ 91,064	
Allowance for doubtful accounts for the year ended		
September 30, 1973 .....	<u>4,887,286</u>	<u>4,978,350</u>
		21,978,350
<i>Less:</i>		
Bad debts written off .....		<u>1,478,350</u>
Balance, end of year .....		<u>\$20,500,000</u>

(See accompanying notes)



## Statement of Assets and Liabilities

### ASSETS

Government of Canada Treasury Bills .....	
Loans and investments .....	
Interest due and accrued .....	
Property held for sale .....	
Less allowance for doubtful accounts .....	
Liability of others on guarantees and underwriting agreements (as per contra) .....	
Fixed assets, at cost less accumulated depreciation .....	
Other assets .....	

### NOTES TO FINANCIAL STATEMENTS

1. Debentures issued and held by the Bank of Canada at September 30th, 1973

Rate %	1974 (\$000)	1975 (\$000)	1976 (\$000)	1977 (\$000)
5.5 % .....	\$ 26,200	\$ 4,600	\$ 2,200	\$ —
6.6 % .....	29,100	20,600	15,300	41,700
7.7 % .....	24,800	23,800	14,100	36,400
8.8 % .....	23,700	48,500	52,000	21,900
9.9 % .....	2,300	2,200	15,300	—
Total .....	<u>\$106,100</u>	<u>\$99,700</u>	<u>\$98,900</u>	<u>\$100,000</u>

2. Amounts not disbursed at September 30th, 1973 on loans and investments \$140,000,000. At September 30th, 1972 these amounts were approximately

A. ROUSSEAU  
Chief Accountant

*Nursing home.*

# as at September 30, 1973 (with comparative figures for 1972)

1973	1972
\$ 7,794,490	\$ 6,994,584
733,610,994	611,504,685
4,543,775	3,707,003
2,613,476	3,082,484
740,768,245	618,294,172
20,500,000	17,000,000
720,268,245	601,294,172
55,000	—
984,312	731,700
273,375	201,965
<u>\$729,375,422</u>	<u>\$609,222,421</u>

are as follows (maturities in fiscal years):

1978 (\$'000)	1979 (\$'000)	Total (\$'000)
\$ —	\$ —	\$ 33,000
45,000	—	151,700
50,200	76,000	225,300
4,800	25,200	176,100
—	—	19,800
<u>\$100,000</u>	<u>\$101,200</u>	<u>\$605,900</u>

authorized were approximately  
\$110,000,000.

G. K. BOUEY  
President

## LIABILITIES

	1973	1972
Cheques outstanding (less cash) .....	\$ 12,358,218	\$ 6,859,499
Accrued interest on debentures .....	17,209,499	14,451,969
Other liabilities .....	796,922	779,202
	<u>30,364,639</u>	<u>22,090,670</u>
Liability under guarantees and underwriting agreements .....	55,000	—
Debentures outstanding (note 1) .....	605,900,000	501,700,000
Debenture premium and discount less amortization .....	425,871	601,202
	<u>606,325,871</u>	<u>502,301,202</u>
Capital:		
Authorized:		
750,000 shares, par value of \$100 each		
Issued and outstanding:		
620,000 shares (580,000 shares in 1972) .....	62,000,000	58,000,000
Reserve fund .....	30,629,912	26,830,549
	<u>92,629,912</u>	<u>84,830,549</u>
	<u>\$729,375,422</u>	<u>\$609,222,421</u>

## AUDITORS' REPORT

We have examined the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1973 and the statements of income and expense and of reserve fund for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Bank as at September 30, 1973 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GÉRALD PRÉFONTAINE, C.A.  
of Séguin, Ménard, Patenaude, Préfontaine & Cie

A. JOHN LITTLE, F.C.A.  
of Clarkson, Gordon & Co.

Ottawa, October 31, 1973



## Board of Directors

*G. K. Bouey	Ottawa, Ont.
*R. W. Lawson	Ottawa, Ont.
P. A. Archibald	Antigonish, N.S.
J. G. Burchill	Nelson-Miramichi, N.B.
R. W. Campbell	Calgary, Alta.
*J. F. Grandy	Ottawa, Ont.
W. R. Jenkins	Charlottetown, P.E.I.
*S. Kanee	Winnipeg, Man.
S. G. Lake	Ramea, Nfld.
J. G. Langs	Hamilton, Ont.
*J. L. Lewtas, q.c.	Toronto, Ont.
D. F. Matheson	Yorkton, Sask.
*S. S. Reisman	Ottawa, Ont.
*J. Taschereau	Quebec, Que.
A. Walton	Vancouver, B.C.

\* Member of the Executive Committee

## Officers

President	G. K. Bouey	
Chief General Manager	E. R. Clark	Montreal
General Manager, Branch Operations	E. A. Bell	Montreal
General Manager, Administration	G. Bourbonnière	Montreal
General Manager, Loans	H. J. Russell	Montreal
General Manager, Atlantic Region	K. A. Powers	Halifax
General Manager, Quebec Region	J. E. Nordin	Montreal
General Manager, Ontario Region	W. C. Stuart	Toronto
General Manager, Prairie and Northern Region	R. H. Wheeler	Winnipeg
General Manager, British Columbia Region	J. E. Millard	Vancouver
Secretary	G. Hamilton	Ottawa
Deputy Secretary	P. D. Smith	Ottawa
Chief Accountant	A. Rousseau	Ottawa
Auditor	R. F. Hirsch	Ottawa
Deputy Auditor	D. A. Thompson	Ottawa

### Chief General Manager's Office, Montreal

Credit Department	Personnel Department
<i>Superintendent:</i> P. F. Limoges	<i>Superintendent:</i> J. B. S. Oldaker
<i>Assistant Superintendent:</i> H. P. Carmichael	<i>Assistant Superintendent:</i> C. L'Espérance
Controller's Department	<i>Personnel Officer:</i> J. T. D. Mulqueen
<i>Controller:</i> R. L. McLean	<i>Assistant Personnel Officers:</i> M. Naggar,
<i>Assistant Controllers:</i> R. G. Forsythe, A. Thisdel	Mrs. G. D. Schneider
Methods and Procedures	Legal Department
<i>Superintendent:</i> C. R. T. Bingley	<i>General Solicitor:</i> D. R. Urquhart
<i>Assistant Superintendent:</i> J. A. Sutherland	<i>Associate General Solicitor:</i> Guy Bousquet, Q.C.
Advisory Services	Planning and Supply
<i>Director:</i> E. C. Scott	<i>Superintendent:</i> P. M. Bourassa
<i>Assistant Directors:</i> R. Bilodeau, R. T. Mactavish	<i>Assistant Superintendent:</i> T. F. Clahane
Insurance Department	Investigation Department
<i>Superintendent:</i> K. J. H. Pasqual	<i>Chief Engineer:</i> A. Mackie
<i>Assistant Superintendent:</i> H. Montbriand	Information
Research Department, Ottawa	<i>Information Officer:</i> J. W. Silvers
<i>Director:</i> L. E. Barclay	Data Processing Systems
<i>Assistant Director:</i> T. J. Dettman	<i>Manager:</i> R. A. Fauvel
Secretarial	Records
<i>Deputy Secretaries:</i> G. R. d'Artois, Miss J. Julien	<i>Manager:</i> Miss H. Shantz

## Atlantic Region

As shown on pages 14 and 15, IDB lending in each of the Atlantic provinces in fiscal 1973 was up substantially over the previous year. In the Atlantic region, 764 loans for a total amount of \$26,030,000 were approved in fiscal 1973 compared with 523 loans for \$16,853,000 in fiscal 1972. This represented an increase of 46% in number and 54% in amount over fiscal 1972.

Loans were authorized to various types of business in the Atlantic region as follows:

Type of Business	Fiscal 1972		Fiscal 1973	
	No.	Amount (\$'000)	No.	Amount (\$'000)
Manufacturing	68	\$ 2,653	81	\$ 4,131
Wholesale and retail trade	198	4,781	285	7,813
Tourist industry	155	5,936	215	7,252
Agriculture	14	294	17	753
Construction	28	1,090	38	1,210
Transportation and storage	9	592	16	435
Other	51	1,507	112	4,436
	<u>523</u>	<u>\$16,853</u>	<u>764</u>	<u>\$26,030</u>

During the past year, a branch office was opened in Corner Brook, Newfoundland. There are now two branch offices in each of the Atlantic provinces except Prince Edward Island which is served by the office in Charlottetown.

Representatives from these offices regularly visit various communities and, as a way of making the Bank's services ever more available to businessmen, a mobile office van, as shown on this page, is going on tour to different centres.

## Officers (continued)

### Atlantic Regional Office:

General Manager: K. A. Powers  
 Supervisor: J. G. Kenna  
 Regional Engineer: E. G. Jopling  
 Regional Solicitor: G. P. Baughman  
 Administration Officer: J. P. Michaud

1583 Hollis Street, Halifax

### Branches:

#### St. John's

Manager: M. F. Clooney  
 Assistant Manager: G. W. Kyte

Viking Bldg., Crosbie Road

#### Corner Brook

Manager: J. B. Lane

52-56 West Street

#### Halifax

Manager: W. Y. Torrance  
 Assistant Manager: D. G. Fitzgerald

1583 Hollis Street

#### Sydney

Manager: A. Highet

195 Charlotte Street

#### Saint John

Manager: R. M. Williams  
 Assistant Manager: M. J. Walsh

75 Prince William Street

#### Moncton

Manager: J. M. Boucher  
 Assistant Manager: D. G. Fulton

236 St. George Street

#### Charlottetown

Manager: J. A. Clinton

51 University Avenue



IDB mobile office.

## Quebec Region

In its 1973 fiscal year, IDB considerably increased its volume of lending to businesses in Quebec over the previous year. The Bank approved 27% more loans in fiscal 1973 than in fiscal 1972 and the total amount of the loans was up by 21%.

Loan approvals in Quebec were as follows:

Type of Business	Loan Approvals			
	Fiscal 1972		Fiscal 1973	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	379	\$26,816	446	\$30,752
Wholesale and retail trade	299	13,609	356	14,675
Tourist industry	232	11,332	335	15,500
Agriculture	23	1,215	28	2,164
Construction	38	1,455	62	2,821
Transportation and storage	26	1,321	40	1,750
Other	88	3,301	116	4,137
	<u>1,085</u>	<u>\$59,049</u>	<u>1,383</u>	<u>\$71,799</u>

During the 1973 fiscal year, branch offices were opened in Sept-Îles, St-Jérôme and Hull. Recently the Region opened an office in the east end of Montreal as a sub-office of the Montreal (South) Branch in order to bring the facilities offered by the latter close to the small businesses of the area. There are now 14 offices of the Bank in the Quebec Region to serve businessmen.

## Officers (continued)

### Quebec Regional Office:

*General Manager:* J. E. Nordin  
*Supervisor:* J. Y. Milette  
*Assistant Supervisors:* J. Y. Bernier, J. M. Dunbar, P. H. Johnson  
*Regional Engineer:* R. Bernaquez  
*Regional Solicitor:* R. Gauthier  
*Assistant Regional Solicitor:* A. Bahary

800 Victoria Square, Montreal

### Branches:

Sept-Îles  
*Manager:* J. G. Germain  
 446 Arnaud Avenue

Rimouski  
*Manager:* J. Tourigny  
 320 St. Germain Street, East

Chicoutimi  
*Manager:* M. D. Légaré  
 152 Racine Street, East

Quebec  
*Manager:* J. R. Leduc  
*Assistant Managers:* J. A. Boudreau, J. D. Casavant  
 925 Chemin St. Louis

Trois-Rivières  
*Manager:* J. C. Martin  
 550 Bonaventure Street

Sherbrooke  
*Manager:* R. Trudeau  
 1845 King Street, West

Longueuil  
*Manager:* G. H. Bourque  
 101 Place Charles Lemoyne

Montreal (North)  
*Manager:* J. Legacé  
*Assistant Managers:* R. F. Harriman, J. J. Husny  
 110 Cremazie Boulevard, West, Montreal

Montreal (South)  
*Manager:* G. W. Madore  
*Assistant Managers:* P. G. Malépart, I. A. Smith  
 800 Victoria Square, Montreal

Sub-branch to Montreal (South)  
 Place Frontenac,  
 2600 Ontario Street, East, Montreal

St. Jérôme  
*Manager:* M. Dépot  
 Galeries des Laurentides,  
 St. Antoine des Laurentides

Rouyn-Noranda  
*Manager:* J. R. Lafond  
 65 Mgr Tessier Street, Rouyn

Hull  
*Manager:* J. A. Dugas  
 295 St. Joseph Boulevard

Ottawa  
*Manager:* J. R. Bernard  
*Assistant Manager:* B. Hryniewski  
 151 Sparks Street

## Ontario Region

Over a fifth of the loans approved by the Bank in fiscal 1973 were to businesses in Ontario and the volume of IDB lending in the province during the year increased by some 15% over fiscal 1972. Almost every category of business participated in the increased lending activity as follows:

Type of Business	Loan Approvals			
	Fiscal 1972		Fiscal 1973	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	454	\$23,587	476	\$21,906
Wholesale and retail trade	413	13,447	513	19,081
Tourist industry	312	13,018	352	16,440
Agriculture	92	4,586	68	2,509
Construction	84	2,234	93	4,490
Transportation and storage	37	2,091	44	2,031
Other	176	6,161	243	8,879
	<u>1,568</u>	<u>\$65,124</u>	<u>1,789</u>	<u>\$75,336</u>

In fiscal 1973, branch offices were opened in Oshawa, Oakville, Chatham, Barrie and Timmins, bringing the total number of branch offices in the Ontario Region to 17. Recently, the Region established a Northern Ontario District Office in Sault Ste. Marie to supervise branches in the northern part of the province, and to assist in improving the Bank's service in that area.

## Officers (continued)

### Ontario Regional Office:

*General Manager:* W. C. Stuart  
*Supervisor:* K. K. Hay-Roe  
*Assistant Supervisor:* J. T. Horne  
*Regional Engineer:* C. H. Cleghorn  
*Regional Legal Officer:* B. K. Grafen  
*Administration Officer:* R. J. Collins

### Branches:

Kingston	<i>Manager:</i> E. A. Duddle	797 Princess Street
Oshawa	<i>Manager:</i> K. W. Bolam <i>Assistant Manager:</i> J. D. Carruthers	22 King Street, West
Toronto	<i>Manager:</i> J. G. Wilson <i>Assistant Managers:</i> L. P. Hancey, R. W. Parker	250 University Avenue
Toronto-North	<i>Manager:</i> M. D. Rudkin <i>Assistant Managers:</i> E. D. McCrindell, H. C. Tomasson	4430 Bathurst Street, Downsview
Barrie	<i>Manager:</i> W. Forman	70 Collier Street
Oakville	<i>Manager:</i> R. V. Crank	345 Lakeshore Road, East
Hamilton	<i>Manager:</i> J. R. Sugden <i>Assistant Manager:</i> C. A. Graham	20 Hughson Street, South
St. Catharines	<i>Manager:</i> R. J. Kenny	205 King Street
Kitchener-Waterloo	<i>Manager:</i> D. C. Sedgwick <i>Assistant Manager:</i> K. R. Elliott	305 King Street, West, Kitchener
London	<i>Manager:</i> C. B. Ready <i>Assistant Manager:</i> B. B. Baron	197 York Street
Chatham	<i>Manager:</i> R. A. Lewis	59 Adelaide Street, South
Windsor	<i>Manager:</i> Miss R. W. Jesshope <i>Assistant Manager:</i> M. A. Renfrew	500 Ouellette Avenue
Sudbury	<i>Manager:</i> R. J. Clinchy <i>Assistant Manager:</i> M. W. Galloway	Station Mall, Sault Ste. Marie
Timmins	<i>Manager:</i> F. T. Watters	96 Larch Street
Sault Ste. Marie	<i>Manager:</i> K. G. Hopper	251 Third Avenue
Thunder Bay	<i>Manager:</i> R. C. Allison <i>Assistant Manager:</i> R. L. Frizell	452 Albert Street, East
Kenora	<i>Manager:</i> J. P. Roberts	106 Centennial Square
		120 Second Street, South



## Prairie and Northern Region

In fiscal 1973, the IDB approved a total of 1,088 loans to businesses in the three Prairie provinces, in the Yukon Territory and in the Northwest Territories, amounting to \$47,301,000, compared with 785 loans for \$35,601,000 in fiscal 1972. This represented an increase of 38% in number of loans and 33% in amount.

IDB lending in the Prairie and Northern Region was as follows:

Type of Business	Loan Approvals			
	Fiscal 1972		Fiscal 1973	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	110	\$ 5,766	146	\$ 6,910
Wholesale and retail trade	197	6,915	325	12,158
Tourist industry	142	7,840	167	11,329
Agriculture	123	4,808	179	6,509
Construction	59	2,083	54	2,080
Transportation and storage	33	2,599	52	2,196
Other	121	5,590	165	6,119
	<u>785</u>	<u>\$35,601</u>	<u>1,088</u>	<u>\$47,301</u>

A branch office was opened in Red Deer during the past year. Also, the Region has established offices in Whitehorse and in Yellowknife. The Bank has some \$13,500,000 currently out in loans to around 200 businesses which are located across the North as shown in the map on this page.

## Officers (continued)

### Prairie and Northern Regional Office:

*General Manager:* R. H. Wheeler 161 Portage Avenue, Winnipeg  
*Supervisor:* D. A. Kerley  
*Assistant Supervisor:* C. V. Spielman  
*Regional Engineer:* D. G. McCrae  
*Regional Solicitor:* H. K. Olson  
*Administration Officer:* H. D. Ramsey

### Branches:

Winnipeg	<i>Manager:</i> J. O. Skerry <i>Assistant Manager:</i> L. H. Lieberman	161 Portage Avenue
Brandon	<i>Manager:</i> K. T. James	144 Sixth Street
Regina	<i>Manager:</i> G. J. Hiltz <i>Assistant Manager:</i> M. Fostyk	2220-12th Avenue
Saskatoon	<i>Manager:</i> D. K. Wiggins <i>Assistant Manager:</i> W. L. Hutton	1102 CN Towers, Midtown Plaza
Lethbridge	<i>Manager:</i> J. E. Evans	740-4th Avenue, South
Calgary	<i>Manager:</i> K. R. Miller <i>Assistant Managers:</i> N. L. Crowe, A. E. Laforest	404 Sixth Avenue, S.W.
Red Deer	<i>Manager:</i> J. W. Mylmyck	4909 Gaetz Avenue
Edmonton	<i>Manager:</i> M. T. Collins <i>Assistant Managers:</i> R. J. McGregor, L. A. Zachary	10150-100th Street
Yellowknife	Sub-branch to Edmonton	5010-50th Avenue
Grande Prairie	<i>Manager:</i> D. S. Brown <i>Assistant Manager:</i> L. C. Holmstrom	10104-101 Avenue
Whitehorse	Sub-branch to Grande Prairie	Travelodge Commercial Mall



• Locations of IDB customers in the North.

## British Columbia Region

Over a third of the volume of IDB lending in fiscal 1973 was done in British Columbia where 2,835 loans totalling \$124,332,000 were approved. This was an increase of 47% in number and 45% in amount of loans over fiscal 1972.

Loan approvals in the province were as follows:

Type of Business	Fiscal 1972		Fiscal 1973	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	283	\$13,936	346	\$ 15,969
Wholesale and retail trade	478	17,997	670	23,259
Tourist industry	368	21,215	558	32,706
Agriculture	164	5,576	253	10,783
Construction	89	2,744	175	6,075
Transportation and storage	72	3,574	115	5,939
Other	474	20,641	718	29,601
	<u>1,928</u>	<u>\$85,683</u>	<u>2,835</u>	<u>\$124,332</u>

Offices were opened in Kamloops and Terrace during the year and there are now eleven offices serving businesses in the province. The Chilliwack office, located in a shopping centre, is shown on this page.

## Officers (continued)

### British Columbia Regional Office:

*General Manager:* J. E. Millard  
*Supervisors:* O. H. Morgan,  
 L. F. Smith  
*Assistant Supervisors:*  
 I. D. MacLaren, R. B. Thomas  
*Regional Engineer:* G. B. G. Ross  
*Regional Solicitor:* T. A. James  
*Administration Officer:* R. E. McMurray

### Branches:

Cranbrook	<i>Manager:</i> K. E. Neilson	30 South 11th Avenue
Kelowna	<i>Manager:</i> T. F. Ching	1460 Pandosy Street
	<i>Assistant Manager:</i> R. M. Leite	
Kamloops	<i>Manager:</i> M. G. H. O'Reilly	235 First Avenue
Prince George	<i>Manager:</i> G. Kirkwood	1320 Fifth Avenue
	<i>Assistant Managers:</i> T. G. Gilmour, D. I. Lister	
Terrace	<i>Manager:</i> M. Kartasheff	4548 Lakelse Avenue
Chilliwack	<i>Manager:</i> M. Gumpich	Kamar Plaza, 45850 Yale Road, West
	<i>Assistant Manager:</i> R. G. Newman	
New Westminster	<i>Manager:</i> R. W. Gray	765-6th Street
	<i>Assistant Managers:</i> E. T. Brignall, E. J. Popil	
Vancouver	<i>Manager:</i> H. W. Baker	885 Dunsmuir Street
	<i>Assistant Managers:</i> D. M. Carter, G. C. Hamilton	
North Vancouver	<i>Manager:</i> N. J. Weedmark	145 West 15th Street
	<i>Assistant Manager:</i> B. Kohl	
Victoria	<i>Manager:</i> R. P. Dohan	777 Broughton Street
	<i>Assistant Managers:</i> R. W. Johnston, P. B. Smith	
Campbell River	<i>Manager:</i> K. E. Phillips	906 Island Highway



IDB office, Chilliwack, B.C.



## Summary of operations 1944-1973

### Fiscal years ended September 30

#### LOANS AND INVESTMENTS

Authorized during period .....	
Less: cancellations and reductions .....	
Net authorizations .....	
Disbursements .....	
Less: repayments and write-offs of principal .....	
Increase in amounts outstanding .....	

#### INCOME AND EXPENSE

Income from loans and investments (interest and dividends) .....	
Other income .....	
Total income .....	
Operating expenses .....	
Salaries and other staff expenses .....	
Other .....	
Total operating expenses .....	
Cost of debentures .....	
Net income before allowance for doubtful accounts .....	
Allowance for doubtful accounts .....	
Transferred to reserve fund .....	

#### WRITE-OFFS

Bad debts written off, net .....	
----------------------------------	--

#### YEAR-END BALANCE SHEET

Loans and investments, including agreements for sale .....	
Less: allowance for doubtful accounts .....	
All other assets .....	
Total assets .....	
Capital, issued and paid up .....	
Reserve fund .....	
Debentures outstanding .....	
All other liabilities .....	
Total liabilities .....	

(thousands of dollars)

November 1944 to 1965	1966	1967	1968	1969	1970	1971	1972	1973	Cumulative Total
728,944	122,664	113,442	120,297	153,440	164,628	195,980	262,412	345,285	2,207,092
101,426	14,771	14,223	12,171	16,353	16,089	36,409	33,621	40,714	285,777
627,518	107,893	99,219	108,126	137,087	148,539	159,571	228,791	304,571	1,921,315
584,819	98,143	96,631	105,466	122,376	150,961	156,168	193,997	275,091	1,783,652
329,674	55,181	61,197	69,721	74,596	81,696	100,397	125,892	154,008	1,052,362
255,145	42,962	35,434	35,745	47,780	69,265	55,771	68,105	121,083	731,290
94,146	19,293	22,863	26,396	30,575	38,257	47,505	55,103	64,560	398,698
5,296	482	583	659	535	619	1,237	1,514	2,523	13,448
99,442	19,775	23,446	27,055	31,110	38,876	48,742	56,617	67,083	412,146
25,070	4,794	5,300	5,916	6,762	7,618	8,881	10,826	13,112	88,279
8,754	1,596	1,746	1,910	2,104	2,559	2,994	3,877	5,007	30,547
33,824	6,390	7,046	7,826	8,866	10,177	11,875	14,703	18,119	118,826
39,678	11,457	13,875	16,478	20,107	26,102	30,730	33,933	40,278	232,638
25,940	1,928	2,525	2,751	2,137	2,597	6,137	7,981	8,686	60,682
7,517	1,393	1,891	1,976	1,764	2,097	4,158	4,369	4,887	30,052
18,423	535	634	775	373	500	1,979	3,612	3,799	30,630
2,268	393	641	726	1,264	847	758	1,269	1,387	9,553
298,415	334,744	371,350	419,232	487,486	543,147	611,505	733,611		
-6,250	-7,500	-8,750	-9,250	-10,500	-13,900	-17,000	-20,500		
6,698	6,061	7,597	3,773	10,467	14,522	14,717	16,264		
298,863	333,305	370,197	413,755	487,453	543,769	609,222	729,375		
41,000	44,000	47,000	51,000	53,000	55,000	58,000	62,000		
18,958	19,592	20,367	20,740	21,240	23,219	26,831	30,630		
232,800	262,500	293,600	331,500	394,100	445,500	501,700	605,900		
6,105	7,213	9,230	10,515	19,113	20,050	22,691	30,845		
298,863	333,305	370,197	413,755	487,453	543,769	609,222	729,375		



## Advisory Services

On this page and on the inside back cover opposite are illustrated some of the activities of the Advisory Services department.

One such activity is the holding of seminars in smaller centres across the country at which subjects of interest to owners and managers of small businesses are discussed. During the past year, 117 seminars were held: 17 in the Atlantic Provinces, 25 in Quebec, 30 in Ontario, 20 in the Prairie Provinces, and 25 in British Columbia. They were attended by 2,350 businessmen. It is planned to hold 200 seminars in the coming year. A typical seminar is in progress in the photograph on this page.

To assist in a better understanding of the balance sheet and operating statement of a business, a slide show has been prepared for display at the seminars and a few of the slides are shown opposite.

A series of pamphlets under the general heading of "Minding Your Own Business" are being prepared and issued without charge to interested businessmen and others. To date, almost 300,000 pamphlets have been distributed and there are nearly 10,000 names on the mailing list to receive them as they are published.

Ten pamphlets in the series, some of which are shown opposite, have been prepared. They are:

1. Reference Booklets for Small Business.
2. Giving Credit to Your Customers.
3. Presenting Your Case for a Term Loan.
4. Forecasting for an Existing Business.

5. Managing Your Current Assets.
6. Forecasting for a New Business.
7. Managing Your Fixed Assets.
8. Managing Your Cash.
9. Working Capital.
10. Changes of Ownership.

These and subsequent pamphlets in the series can be obtained at any office of the Bank.

At the far right opposite is shown one of the libraries which are located in the branch offices of the Bank. They contain publications concerning business management which are available for reference by businessmen.



*Advisory Services seminar.*









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**Annual Report 1974**



**Industrial Development Bank**

*Industrial Development Bank*



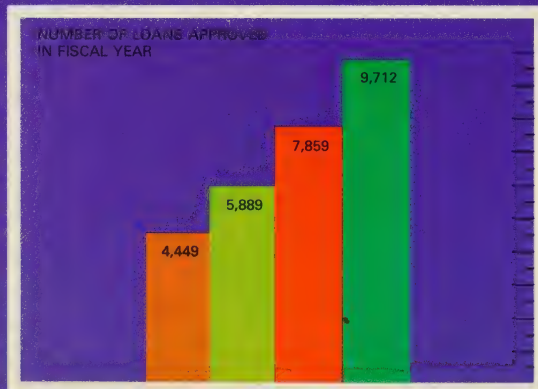
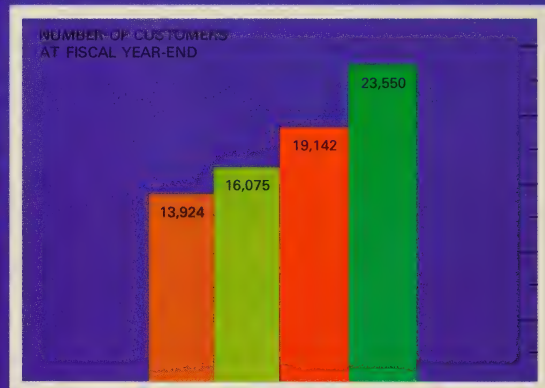
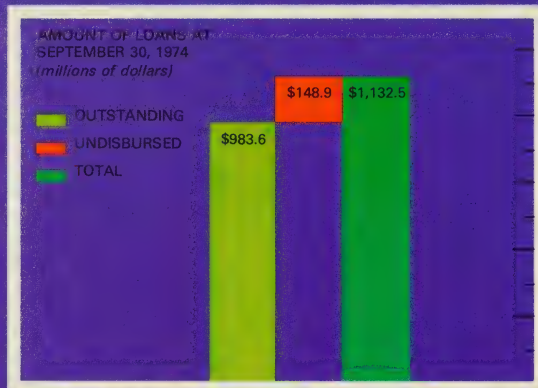




During the past thirty years, the Industrial Development Bank has approved 55,000 loans totalling in excess of \$2 ½ billion to more than 40,000 businesses in Canada. The operations of some of the 23,500 present customers of the Bank are shown in the photographs on the cover and in the report.



# Highlights





**Head Office**

**Ottawa**

December 9th, 1974.

The Hon. John N. Turner, P.C.,  
Minister of Finance,  
Ottawa, Ontario.

Dear Sir,

In accordance with the provisions of the Industrial Development Bank Act, I enclose my report for the fiscal year ended September 30th, 1974, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner.

Yours very truly,



President.

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# Report of the President

## A review: 1944 – 1974

In 1974, the Industrial Development Bank completed thirty years of service and since legislation is now before Parliament to incorporate the IDB into a new Crown corporation, the Federal Business Development Bank, with enlarged responsibilities, this is an appropriate time to review briefly the activities of the IDB over the past three decades, as well as those pertaining to the fiscal year ending September 30, 1974.

Parliament created the Industrial Development Bank in 1944 as a wholly owned subsidiary of the Bank of Canada with the purpose as stated in the preamble to the IDB Act: "Whereas it is desirable to establish an industrial development bank to promote the economic welfare of Canada by increasing the effectiveness of monetary action through ensuring the availability of credit to industrial enterprises which may reasonably be expected to prove successful if a high level of national income and employment is maintained, by supplementing the activities of other lenders and by providing capital assistance to industry with particular consideration to the financing problems of small enterprises . . .".

The IDB was established chiefly to improve the access of small and medium-sized businesses to term financing. Larger well known corporations could meet their needs for long term capital

through commercial sources or through bond or stock issues on the public market. However, a small business or a new business needing, perhaps \$10,000 or \$15,000 or even larger amounts, was not able to obtain term financing easily from these sources. There was, therefore, a special interest in broadening the sources of term financing for smaller businesses to encourage industrial development. The role of the IDB was to be such a source. It was intended that the IDB would supplement the activities of other lenders, and extend financial assistance to businesses in Canada where the financing was not otherwise available on reasonable terms and conditions and when the investment in the business by others was considered sufficient to afford the Bank reasonable protection.

When the Bank opened its doors on November 1st, 1944 it was operating in a field of lending new in Canada, and it had to engage staff and train them in the necessary specialized skills. Its operations were at first limited almost entirely to assisting businesses engaged in manufacturing where the importance of investment in fixed assets made the provision of longer term capital funds a pressing problem.

As the Bank gained experience, its scope of operations was expanded by successive amendments to the IDB Act and finally, in 1961,

the Bank was permitted to finance "any industry, trade or other business undertaking of any kind".

In its first year, the Bank opened offices in Montreal, Toronto, and Vancouver, and a year later, in Winnipeg. In 1956, offices were opened in Halifax and Calgary, and in 1959, in Saint John, Quebec, London, and Regina. In the succeeding years, additional offices were opened as the need arose until today there are 70 offices to serve businessmen in all parts of the country.

During its first fiscal year, the Bank authorized 97 loans for a total amount of \$4,150,050. Thirty years later, its business had increased over one hundredfold, and 9,712 loans amounting to \$470,021,000 were approved in fiscal year 1974.

The growth of the Bank over the past three decades is illustrated as follows:

<i>During each decade</i>	<i>1944-54</i>	<i>1954-64</i>	<i>1964-74</i>
Loan approvals:			
number .....	1,726	10,399	43,707
amount (\$ million) .....	107	522	2,043
Offices opened .....	4	21	45
<i>At end of each decade</i>			
Number of customers on books .....	650	6,027	23,550
Amount outstanding or committed (\$ million) .....	42	263	1,132



The Bank from the first has paid its way in providing the substantial amount of assistance which it has extended to Canadian business. Out of its revenues, it has paid interest on its debentures, the salaries of its staff, and all its operating expenses. It has paid the costs of any expansion, covered any losses which it incurred, and has still been able to show small profits which have augmented the funds available to help businesses.

During its thirty-year history, IDB has authorized over 55,000 loans totalling \$2,600,000,000 to more than 40,000 businesses in Canada. Its work is well known in many quarters abroad where it is recognized as one of the first, one of the largest, and one of the most successful development banks in the world.

#### Lending in 1974

In its thirtieth year ended September 30th last, IDB experienced the highest yearly volume of lending activity in its history. During the year, the Bank approved 9,712 loans for a total amount of \$470,021,000 which was an increase of 24% in number of loans and 37% in amount over fiscal 1973, the previous record year.

At the close of fiscal 1974, the Bank had 23,550 customers on its books with \$1,132,000,000 outstanding or committed in loans to them. At the end of the previous fiscal year, 19,142 businesses had \$868,000,000 in IDB loans.

<i>Type of Business</i>	Loan Approvals			
	Fiscal 1973		Fiscal 1974	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	1,495	\$ 79,671	1,689	\$ 99,892
Wholesale and retail trade	2,149	76,986	2,876	111,653
Tourist industry	1,627	83,226	1,876	106,017
Agriculture	545	22,719	844	38,815
Construction	422	16,676	521	19,719
Transportation and storage	267	12,350	280	16,686
Other	1,354	53,170	1,626	77,239
	<u>7,859</u>	<u>\$344,798</u>	<u>9,712</u>	<u>\$470,021</u>

During the last quarter of fiscal 1974, however, there was a decline in the volume of lending by the Bank compared with the same period in fiscal 1973. The number of loans was down by 1.7% and the amount was lower by 13.5%. One factor was the necessity for the Bank to stop making loans of \$200,000 and over early in July when the total amount outstanding for its loans in this category was approaching the maximum limit of \$200 million set by the IDB Act on the total amount









outstanding in loans of this size. It is expected that this statutory limitation will be removed by an amendment to the IDB Act contained in legislation which has been introduced into the House of Commons.

### **New Offices in 1974**

In response to the growing demand for its services and to make them more available to businessmen, particularly in smaller centres, the Bank continued to expand its network of branch offices during the year.

In British Columbia, the Bank opened offices in Burnaby and Richmond and a sub-office in Abbotsford. An IDB office was also established in Nanaimo, the third on Vancouver Island.

To facilitate the operations of the Bank in the region of Alberta served by the Calgary and Edmonton offices, two new branches, Calgary South and Edmonton South, were opened.

In Ontario, offices were established in Owen Sound and Stratford to serve areas previously covered by the Kitchener-Waterloo and London offices, respectively.

New offices in St. Laurent and St. Léonard, Quebec, replaced the Montreal (North) branch. The Bank now has four locations on the Island of Montreal. A new office opened in Granby brings

the Bank's services closer to more businessmen in the Eastern Townships of Quebec.

The Bank now has 70 offices located from St. John's to Victoria and from Windsor to Whitehorse. There are also regional offices situated in Halifax, Montreal, Toronto, Winnipeg, and Vancouver through which the activity of the branches is supervised.

Very wide authority to deal with credit applications and approve loans is delegated to branch and regional offices. Approximately 60% of all loans are authorized at the branches themselves without prior reference to higher authority. Over 37% are approved at the regional offices and only 3% or less — these being the larger loans — are referred to the Chief General Manager's Office for approval or for reference to the Board of Directors.

In 1974, over 30,000 enquiries were received by the Bank's offices of which 39% resulted in formal applications to the Bank for financing. Of applications processed during the year, 82% were approved. The average time taken to reach a decision on an application was 15½ days.

### **Publicity Activities in 1974**

In addition to opening more branch offices, the Bank continued to expand its program of visits by its representatives to smaller communities.

These visits are advertised in advance and local businessmen are invited to discuss proposals requiring financing with the visiting representative. At several centres, representatives make visits on a certain day of each week or on a semi-monthly or some other periodic basis. Such visits have increased the awareness of the Bank's services among businessmen in the communities concerned.

Over 400 advertised visits a month were made on the average during fiscal 1974 or a total of 5,289 in the year to 601 different communities, and over 14,200 enquiries were received by the IDB representatives. Some 19% of the loans made by the Bank result from its advertised visit program.

Officers of the Bank undertake various activities to make its services known to businessmen. Last year, they gave over 200 speeches at meetings of Chambers of Commerce, service clubs, trade associations, and other organizations. They attended around 500 meetings of business groups, showed the Bank's film and slide show on 90 occasions, arranged displays at various trade fairs and exhibitions, participated in radio and television interviews and distributed some 60,000 copies of the booklet describing the services of the Bank.

The Bank also continued its advertising program in newspapers and in some general business and professional journals, and some



television advertising was undertaken in non-metropolitan areas.

Through all of these publicity activities the Bank endeavours to inform businessmen that it is ready to give prompt, careful consideration to any proposal for financing which meets the requirements set forth in the IDB Act.

### **Advisory Services in 1974**

The Advisory Services department of the Bank, which aims to promote good management practices in small businesses, expanded its activities during fiscal year 1974.

One activity of the department is to organize seminars in smaller communities at which business people are involved in the discussion of typical management topics. During the year, 176 such seminars were held — 50% more than in fiscal 1973 — and were attended by almost 4,000 business people. About 300 seminars are planned for the coming year. Since mid-1972, nearly 300 seminars have been held, arranged usually in co-operation with local business organizations and other interested groups whose members assist IDB personnel in conducting the seminars.

A continuing activity of the department is the publication of pamphlets in a series called "Minding Your Own Business". These provide guidance on varied aspects of running a small

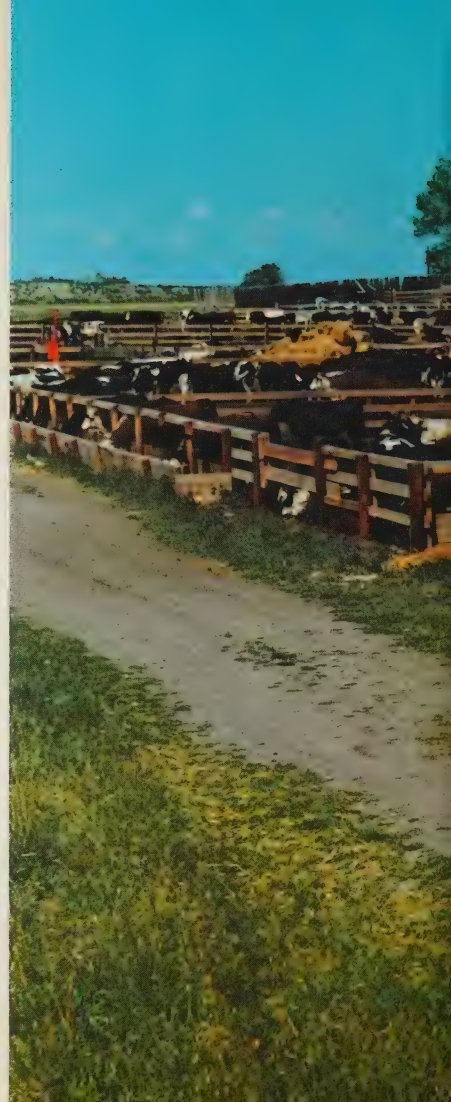
business. To date, 12 pamphlets have been prepared and over 600,000 copies of them have been distributed. There are now about 18,000 names on the mailing list for these educational publications. The department is also publishing a quarterly bulletin, "Small Business News", aimed at keeping business people in touch with developments of interest to them.

Another new activity is the development of a course in small business management to be offered to educational and other institutions.

All these activities, together with special local projects, are co-ordinated by the five Regional Directors of Advisory Services.

Reflecting its long standing policy of providing aid in training employees of development banks and similar institutions in other countries, the Bank received during the year 18 representatives of other development banks in 13 countries for varying periods of training. Additionally, eight students, each from a different country, were employed at a like number of IDB offices. Since 1951, the Bank has received 121 visitors from 45 countries for training.

During the year, the Chief General Manager represented the Bank at the annual conference of the United Nations Industrial Development Organization. Senior officers assisted in the establishment of a development bank in Antigua









and also participated in meetings of development organizations in the Caribbean and in South America.

## Financial Results in 1974

As a result of an increase in loans and investments outstanding of over a quarter of a billion dollars during the fiscal year, interest income advanced by almost twenty million dollars over the preceding fiscal year. Total income at \$86.3 million was \$19.2 million greater than that for fiscal 1973.

Operating expenses for the year were \$24.2 million, an increase of \$6.1 million over fiscal 1973. The greater part of this increase was represented by an increase of approximately \$5 million in salaries and other staff expenses. This resulted principally from an increase of about 24% in the average number of employees in fiscal 1974 as compared with fiscal 1973 to staff the new branches opened during the year and to handle the very substantial growth in the volume of business. After declining steadily over the previous ten years as a result of steps taken to improve and streamline the Bank's procedures, the ratio of salary costs to the number of loans authorized rose slightly in 1974.

The cost of borrowing to the IDB increased substantially during the year with the sharp increase in short and medium term interest rates

beginning in April, coinciding with a heavy demand for funds to finance the disbursement of newly authorized loans. Interest costs on the Bank's debentures were \$54.8 million for the year, an increase of \$14.6 million over fiscal 1973.

The spread between the rates of interest to the Bank on new debentures and its average lending rates decreased somewhat as compared with 1973, and as a result, since total operating costs moved up in various areas, net income before allowance for doubtful accounts decreased from \$8.7 million in fiscal 1973 to \$7.2 million in 1974.

Income and expenses are shown below for the last five years, calculated as a percentage of average loans and investments outstanding during the respective years:

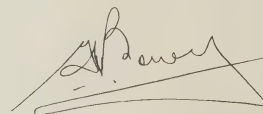
	Fiscal 1970	Fiscal 1971	Fiscal 1972	Fiscal 1973	Fiscal 1974
Income .....	8.59%	9.43%	9.86%	10.04%	10.09%
Operating costs .....	2.25	2.30	2.56	2.71	2.83
Cost of debentures ....	5.77	5.94	5.91	6.03	6.41
Net income before allowance for doubtful accounts ...	0.57	1.19	1.39	1.30	0.85

At the year end the allowance for doubtful accounts was established at \$22.8 million. The appropriation from profits was \$4.6 million made up of \$2.3 million to increase the allowance and \$2.3 million for actual write-offs.

The balance of income for the year, \$2.6 million, increased the Reserve Fund to \$33.3 million.

## Staff in 1974

The achievements of the Bank in providing financial assistance to smaller businesses in 1974 and indeed since it came into existence in 1944 reflect the enterprise of the men and women in its employ over the three decades. They have zealously applied their many skills to their respective tasks and created a real spirit of dedication to the work of the Bank. On September 30th last, the staff of the Bank comprised 1,388 men and women, as compared with 1,150 a year previously. To them the Directors express their appreciative thanks for their dedicated work during the fiscal year just ended.



President.





## Loan approvals during fiscal years ended September 30

	NUMBER
	1969
CLASSIFICATION BY NEW OR EXISTING BORROWERS:	
To new borrowers .....	2,177
To existing borrowers .....	811
Total .....	<u>2,988</u>

### CLASSIFICATION BY SIZE:

\$ 5,000 or less .....	66
Over 5,000 to 25,000 .....	1,304
Over 25,000 to 50,000 .....	792
Over 50,000 to 100,000 .....	547
Over 100,000 to 200,000 .....	193
Total up to \$200,000 .....	2,902
Over \$200,000 .....	86
Total .....	<u>2,988</u>
Average size .....	

### CLASSIFICATION BY PROVINCE:

Newfoundland .....	38
Prince Edward Island .....	16
Nova Scotia .....	92
New Brunswick .....	120
Quebec .....	541
Ontario .....	863
Manitoba .....	111
Saskatchewan .....	123
Alberta .....	300
British Columbia .....	751
Yukon .....	22
N.W. Territories .....	11
Total .....	<u>2,988</u>

1970	1971	1972	1973	1974
2,735	3,257	4,349	5,716	7,109
849	1,192	1,540	2,143	2,603
<u>3,584</u>	<u>4,449</u>	<u>5,889</u>	<u>7,859</u>	<u>9,712</u>

98	176	242	374	402
1,724	1,977	2,617	3,365	4,010
926	1,335	1,739	2,347	2,901
564	664	903	1,251	1,602
<u>196</u>	<u>227</u>	<u>276</u>	<u>383</u>	<u>612</u>
3,508	4,379	5,777	7,720	9,527
<u>76</u>	<u>70</u>	<u>112</u>	<u>139</u>	<u>185</u>
<u>3,584</u>	<u>4,449</u>	<u>5,889</u>	<u>7,859</u>	<u>9,712</u>

81	87	149	197	245
34	33	46	83	77
116	136	186	260	262
85	112	142	224	284
601	654	1,085	1,383	1,652
978	1,216	1,568	1,789	2,391
101	156	151	179	248
112	138	140	178	246
330	430	436	646	1,067
1,094	1,428	1,928	2,835	3,159
23	43	42	47	40
29	16	16	20	41
<u>3,584</u>	<u>4,449</u>			

# AMOUNT (\$000)

1969	1970	1971	1972	1973	1974
108,502	122,920	146,786	194,484	251,356	344,718
44,938	41,708	49,194	67,826	93,442	125,303
<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>	<u>470,021</u>

281	405	733	1,016	1,521	1,695
22,171	29,092	31,775	41,205	52,736	63,443
30,792	36,990	50,342	65,596	88,198	109,593
40,753	42,922	49,200	66,138	92,832	121,237
<u>27,365</u>	<u>27,819</u>	<u>33,545</u>	<u>40,956</u>	<u>55,834</u>	<u>91,908</u>
121,362	137,228	165,595	214,911	291,121	387,876
<u>32,078</u>	<u>27,400</u>	<u>30,385</u>	<u>47,399</u>	<u>53,677</u>	<u>82,145</u>
<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>	<u>470,021</u>
51	46	44	45	44	48

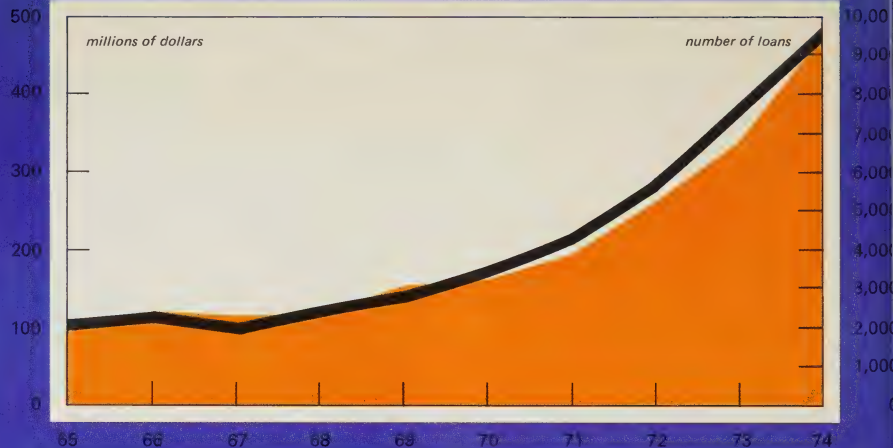
1,290	2,100	2,563	4,892	6,993	8,121
447	804	1,378	1,236	2,551	2,453
3,692	3,750	3,996	5,686	7,427	8,289
5,119	3,521	3,488	5,039	9,059	12,959
34,607	31,910	34,871	59,049	71,799	85,701
45,003	46,490	49,723	65,124	75,336	110,850
5,072	5,440	7,941	8,091	8,404	12,941
4,855	3,513	4,591	5,179	7,134	10,736
15,161	15,472	20,366	18,281	26,458	47,724
36,248	48,579	63,189	85,683	124,332	165,713
1,253	1,087	2,614	2,905	2,735	2,751
<u>693</u>	<u>1,962</u>	<u>1,260</u>	<u>1,145</u>	<u>2,570</u>	<u>1,783</u>
<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>	<u>470,021</u>



**LOAN APPROVALS**  
during fiscal years  
ended September 30

AMOUNT  
(left-hand scale)

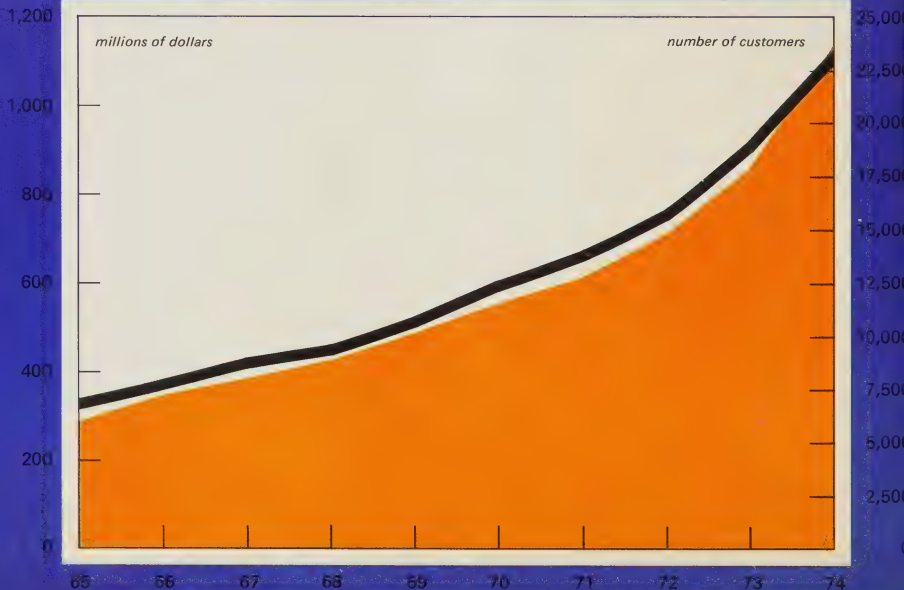
NUMBER  
(right-hand scale)



**LOANS ON THE BOOKS**  
as at fiscal year-end  
September 30

AMOUNT  
OUTSTANDING  
OR COMMITTED  
(left-hand scale)

NUMBER OF  
CUSTOMERS  
(right-hand scale)



## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on Books at September 30, 1974		Total Authorizations November 1, 1944 to September 30, 1974	
	Number of Busi- nesses	Amounts Out- standing or Committed (\$000)	Number of Busi- nesses	Amounts (\$000)
Newfoundland .....	547	20,231	886	39,448
Prince Edward Island .....	206	6,963	294	17,104
Nova Scotia .....	698	21,938	1,181	56,804
New Brunswick .....	641	27,648	1,199	66,282
Quebec .....	4,277	234,818	7,463	602,855
Ontario .....	6,134	267,239	11,857	747,118
Manitoba .....	721	34,943	1,676	107,288
Saskatchewan .....	764	27,288	1,519	79,163
Alberta .....	2,458	101,955	4,404	246,057
British Columbia .....	6,877	373,594	10,445	681,387
Yukon .....	129	9,233	196	15,804
N.W. Territories .....	98	6,646	148	14,403
Total .....	23,550	1,132,496	41,268	2,673,713

## SUMMARY STATISTICS OF LOANS *for fiscal years ended September 30*

<i>(Millions of Dollars)</i>	1969	1970	1971	1972	1973	1974
Disbursements to borrowers .....	122.4	151.0	156.2	194.0	274.9	404.9
Repayments by borrowers including principal written off (net) .....	74.5	81.7	100.3	125.9	154.0	151.8
Increase in amounts outstanding .....	47.9	69.3	55.9	68.1	120.9	253.1
Amounts outstanding at year-end .....	416.3	485.6	541.5	609.6	730.5	983.6
Amounts not yet disbursed at year-end on loans authorized .....	72.4	69.9	73.4	108.1	137.5	148.9
Amounts outstanding plus undisbursed at year-end .....	488.7	555.5	614.9	717.7	868.0	1,132.5
Number of customers on the books at year-end .....	10,627	12,283	13,924	16,075	19,142	23,550
Average amount outstanding plus undisbursed per customer (thousands of dollars) .....	46	45	44	45	45	48



## Classification of loan approvals by type

### Manufacturing:

Foods and beverages .....	
Tobacco and tobacco products .....	
Rubber products .....	
Leather products .....	
Textile products (except clothing) .....	
Clothing (textiles and fur) .....	
Wood products .....	
Paper products (including pulp) .....	
Printing and allied industries .....	
Iron and steel products (including machinery and equipment) .....	
Transportation equipment .....	
Non-ferrous metal products .....	
Electrical apparatus and supplies .....	
Non-metallic mineral products .....	
Products of petroleum and coal .....	
Chemical products .....	
Miscellaneous manufacturing industries .....	
Commercial air services .....	
Warehousing (including refrigeration) .....	
Other transportation and storage .....	
Electric power, gas, water utilities .....	
Mines (incl. milling), quarries, oil wells .....	
Construction .....	
Industrial buildings .....	
Personal services .....	
Forestry .....	
Wholesale trade .....	
Retail trade .....	
Education and health services .....	
Recreation services .....	
Services to business management .....	
Miscellaneous services .....	
Agriculture .....	
Fishing and trapping .....	
Communications .....	
Laundries, cleaners and pressers .....	
Restaurants and other eating places .....	
Hotels, motels and other lodgings .....	
Theatres, bowling alleys, billiard halls .....	

Oil drilling.

of business during fiscal years ended September 30

NUMBER

1969	1970	1971	1972	1973	1974
138	120	153	175	164	164
—	1	—	—	1	—
17	10	10	16	12	5
13	13	9	21	18	14
21	18	18	32	27	31
35	28	40	50	70	54
126	144	168	274	287	343
18	18	13	28	31	27
55	62	104	107	140	158
195	211	233	283	341	444
30	34	39	49	100	88
7	8	12	7	11	18
17	21	29	31	27	51
39	52	52	60	67	86
—	5	2	1	4	3
22	21	24	35	44	47
65	71	85	125	151	156
23	20	42	40	45	34
9	10	6	14	10	8
77	96	118	123	212	238
4	12	10	10	15	23
21	25	30	29	29	45
174	194	239	298	422	521
201	222	286	357	529	558
25	28	39	60	67	89
6	15	24	30	89	89
204	220	262	338	390	547
501	639	819	1,247	1,759	2,329
34	66	67	63	80	93
39	57	84	99	113	134
40	57	71	78	93	180
57	79	85	112	211	252
194	246	338	416	545	844
13	21	17	31	33	59
16	13	13	12	12	18
56	74	91	99	149	150
173	254	356	599	834	1,051
299	374	431	511	680	691
24	25	30	29	47	70
<u>2,988</u>	<u>3,584</u>	<u>4,449</u>	<u>5,889</u>	<u>7,859</u>	<u>9,712</u>

AMOUNT (\$000)

1969	1970	1971	1972	1973	1974
8,682	7,938	8,773	10,880	9,642	12,428
—	32	—	—	250	—
1,141	855	642	1,616	684	450
809	434	369	908	651	426
1,697	1,743	2,145	4,526	1,854	2,781
2,439	1,510	1,768	2,521	2,931	2,849
8,068	9,454	13,546	19,125	16,595	25,635
2,609	1,279	938	1,636	3,301	1,270
3,083	2,276	4,395	3,040	3,676	4,929
12,764	14,058	11,168	14,088	19,140	24,032
1,704	2,073	2,342	2,499	6,629	7,341
439	635	547	187	521	1,123
1,143	928	1,653	1,329	1,343	2,365
2,474	2,477	2,706	3,983	3,000	5,208
—	317	50	200	210	300
1,845	1,282	1,009	1,802	2,344	2,242
3,114	3,663	3,574	4,419	6,899	6,514
1,351	974	2,560	3,532	2,208	2,152
602	896	482	1,808	1,107	640
6,775	4,596	4,832	4,837	9,036	13,894
165	592	373	209	349	972
1,529	1,182	1,424	2,226	1,163	2,433
7,181	7,799	9,728	9,606	16,676	19,719
10,749	12,318	14,672	18,144	27,932	36,702
773	576	855	1,704	1,650	2,657
193	566	1,060	1,170	2,593	2,685
10,322	10,978	13,396	16,993	19,282	31,503
17,225	21,520	23,713	39,756	57,703	80,150
2,143	3,664	3,102	2,738	3,350	4,550
2,115	2,620	4,157	5,699	5,207	8,471
1,594	1,731	2,003	2,154	2,866	6,017
1,591	2,352	2,890	3,309	6,357	8,809
7,865	9,534	11,415	16,479	22,719	38,815
195	359	485	810	691	2,347
778	616	456	787	314	928
1,572	2,429	2,308	2,894	4,065	4,095
7,135	9,242	11,475	21,720	33,070	46,636
18,594	17,826	27,850	31,920	44,949	50,910
982	1,304	1,119	1,056	1,841	5,043
<u>153,440</u>	<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>	<u>470,021</u>





## Income and Expense Year ended September 30, 197

### INCOME:

Interest .....	
Profit on sale of investments .....	
Sundry .....	

### EXPENSE:

Salaries .....	
Pension fund, unemployment insurance and group insurance .....	
Other staff expenses .....	
Investigation and supervision expenses .....	
Travel and transfer expenses .....	
Rental and other costs—leased premises .....	
Depreciation on fixed assets .....	
Advertising .....	
Other public information .....	
Telephone and telegrams .....	
Office supplies and expenses .....	
Directors' fees .....	
Auditors' fees and expenses .....	
All other operating expenses .....	
Total operating expense .....	
Interest on debentures (including amortization of discount and premium) .....	
Allowance for doubtful accounts .....	
Balance of income transferred to reserve fund .....	

(See accompanying notes)

(with comparative figures for 1973)

## Reserve fund

1974	1973
\$84,398,024	\$64,559,334
—	334,493
1,919,197	2,189,628
86,317,221	67,083,455
15,003,451	11,161,338
2,314,443	1,663,604
445,434	332,600
296,929	263,467
1,326,816	875,319
1,901,990	1,538,251
433,224	318,832
93,697	197,733
734,426	482,010
596,486	451,293
857,934	620,364
11,636	14,800
30,904	30,772
201,382	168,825
24,248,752	18,119,208
54,845,696	40,277,598
4,559,539	4,887,286
83,653,987	63,284,092
<u>\$ 2,663,234</u>	<u>\$ 3,799,363</u>

### STATEMENT OF RESERVE FUND

Year ended September 30, 1974 (with comparative figures for 1973)

	1974	1973
Balance, beginning of year .....	\$30,629,912	\$26,830,549
Balance of income for the year .....	2,663,234	3,799,363
Balance, end of year .....	<u>\$33,293,146</u>	<u>\$30,629,912</u>

## Allowance for doubtful accounts

### STATEMENT OF ALLOWANCE FOR DOUBTFUL ACCOUNTS

Year ended September 30, 1974 (with comparative figures for 1973)

	1974	1973
Balance, beginning of year .....	\$20,500,000	\$17,000,000
<i>Add:</i>		
Recovery of amounts previously written off .....	85,935	91,064
Allowance for doubtful accounts for the year .....	4,559,539	4,887,286
	<u>4,645,474</u>	<u>4,978,350</u>
	25,145,474	21,978,350
<i>Less:</i>		
Bad debts written off .....	2,345,474	1,478,350
Balance, end of year .....	<u>\$22,800,000</u>	<u>\$20,500,000</u>

(See accompanying notes)



## Statement of Assets and Liabilities

### ASSETS

Government of Canada Treasury Bills .....	
Loans and investments (notes 1 and 3) .....	
Interest due and accrued .....	
Less: Allowance for doubtful accounts .....	
Liability of others on guarantees and underwriting agreements (as per contra) .....	
Fixed assets, at cost less accumulated depreciation .....	
Other assets .....	

### NOTES TO FINANCIAL STATEMENTS

- Amounts not disbursed at September 30, 1974 on loans and investment \$150,000,000 (\$140,000,000 at September 30, 1973).
- Debentures issued and held by the Bank of Canada at September 30, 1973:

Rate %	Maturities by fiscal year			
	1975	1976	1977	1978
5-5 <sup>7</sup> / <sub>8</sub> .....	\$ 4,600	\$ 2,200	\$ —	\$ —
6-6 <sup>7</sup> / <sub>8</sub> .....	20,600	15,300	41,700	45,000
7-7 <sup>7</sup> / <sub>8</sub> .....	41,700	32,000	54,200	68,000
8-8 <sup>7</sup> / <sub>8</sub> .....	59,200	62,700	32,600	15,400
9-9 <sup>7</sup> / <sub>8</sub> .....	12,300	25,400	10,100	10,100
Total .....	<u>\$138,400</u>	<u>\$137,600</u>	<u>\$138,600</u>	<u>\$138,500</u>

- Property held for sale amounting to \$2,613,476 in 1973 has been reclassified for comparison with the presentation adopted in 1974.

R. L. McLEAN  
Controller



# as at September 30, 1974 (with comparative figures for 1973)

1974	1973
\$ 8,493,808	\$ 7,794,490
987,344,549	736,224,470
5,692,856	4,543,775
993,037,405	740,768,245
22,800,000	20,500,000
970,237,405	720,268,245
223,000	55,000
1,471,105	984,312
340,078	273,375
<u>\$980,765,396</u>	<u>\$729,375,422</u>

## LIABILITIES

	1974	1973
Cheques outstanding, less cash .....	\$ 12,677,422	\$ 12,358,218
Accrued interest on debentures .....	24,756,868	17,209,499
Other liabilities .....	1,126,764	796,922
	<u>38,561,054</u>	<u>30,364,639</u>
Liability under guarantees and underwriting agreements (as per contra) .....	223,000	55,000
Debentures outstanding (note 2) .....	837,300,000	605,900,000
Debenture premium and discount less amortization .....	388,196	425,871
	<u>837,688,196</u>	<u>606,325,871</u>
Capital:		
Authorized —		
750,000 shares, of a par value of \$100 each		
Issued and outstanding —		
710,000 shares (620,000 shares in 1973) .....	71,000,000	62,000,000
Reserve fund .....	33,293,146	30,629,912
	<u>104,293,146</u>	<u>92,629,912</u>
	<u>\$980,765,396</u>	<u>\$729,375,422</u>

authorized were approximately

were as follows:

in thousands of dollars)

1979	1980	Total
\$ —	\$ —	\$ 6,800
		122,600
93,800	37,200	326,900
35,800	74,600	280,300
10,100	32,700	100,700
<u>\$139,700</u>	<u>\$144,500</u>	<u>\$837,300</u>

d to loans and investments for

G. K. BOUEY  
President

## AUDITORS' REPORT

We have examined the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1974 and the statements of income and expense and of reserve fund for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Bank as at September 30, 1974 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

G. I. CRAIG, C.A.  
of Price Waterhouse & Co.

GÉRALD PRÉFONTEINE, C.A.  
of Séguin, Préfontaine, Patenaude & Cie

Ottawa, October 23, 1974



## Board of Directors

*G. K. Bouey	Ottawa, Ont.
*R. W. Lawson	Ottawa, Ont.
J. G. Burchill	Nelson-Miramichi, N.B.
R. W. Campbell	Calgary, Alta.
*J. F. Grandy	Ottawa, Ont.
W. R. Jenkins	Charlottetown, P.E.I.
*S. Kanee	Winnipeg, Man.
S. G. Lake	Ramea, Nfld.
J. G. Langs	Hamilton, Ont.
*J. L. Lewtas, O.C.	Toronto, Ont.
*S. S. Reisman	Ottawa, Ont.
J. A. Stack	Saskatoon, Sask.
*J. Taschereau	Quebec, Que.
A. Walton	Vancouver, B.C.

\* Member of the Executive Committee

## Officers

President ..... G. K. Bouey

Chief General Manager .....	E. R. Clark .....	Montreal
General Manager, Loans .....	H. J. Russell .....	Montreal
General Manager, Administration .....	G. Bourbonnière .....	Montreal
General Manager, Branch Operations .....	E. A. Bell .....	Montreal
General Manager, Atlantic Region .....	I. D. MacLaren .....	Halifax
General Manager, Quebec Region .....	J. E. Nordin .....	Montreal
General Manager, Ontario Region .....	K. A. Powers .....	Toronto
General Manager, Prairie and Northern Region .....	R. H. Wheeler .....	Winnipeg
General Manager, British Columbia Region .....	J. E. Millard .....	Vancouver
Secretary .....	G. Hamilton .....	Ottawa
Deputy Secretary .....	P. D. Smith .....	Ottawa
Auditor .....	D. A. Thompson .....	Ottawa
Deputy Auditor .....	R. G. Forsythe .....	Montreal

### Chief General Manager's Office, Montreal

Credit Department	Personnel Department
<i>Superintendent:</i> P. F. Limoges	<i>Superintendent:</i> J. B. S. Oldaker
<i>Assistant Superintendents:</i> H. P. Carmichael,	<i>Assistant Superintendent:</i> C. L'Espérance
R. F. Harriman	<i>Training Director:</i> J. T. D. Mulqueen
Controller's Department	<i>Personnel Officers:</i> D. L. Lockerby, M. Naggar,
<i>Controller:</i> R. L. McLean	Mrs. G. D. Schneider
<i>Assistant Controllers:</i> G. D. Cain, A. Thisdel	Legal Department
Methods and Procedures	<i>General Solicitor:</i> D. R. Urquhart
<i>Superintendent:</i> C. R. T. Bingley	<i>Associate General Solicitor:</i> Guy Bousquet, o.c.
<i>Assistant Superintendent:</i> J. A. Sutherland	Planning and Supply
Advisory Services	<i>Superintendent:</i> P. M. Bourassa
<i>Director:</i> E. C. Scott	<i>Assistant Superintendent:</i> T. F. Clahane
<i>Assistant Directors:</i> R. Bilodeau, R. T. Mactavish	Loan Investigation Department
Insurance Department	<i>Chief Engineer:</i> A. Mackie
<i>Superintendent:</i> K. J. H. Pasqual	Branch Operations Department
<i>Assistant Superintendent:</i> H. Montbriand	<i>Inspectors:</i> T. W. Tucker, E. Wilk
Research Department, Ottawa	Information
<i>Director:</i> L. E. Barclay	<i>Information Officer:</i> J. W. Sievers
<i>Assistant Director:</i> T. J. Dettman	Records
Data Processing Systems	<i>Manager:</i> Miss H. Shantz
<i>Manager:</i> R. A. Fauvel	Translation
<i>Assistant Manager:</i> J. R. Jacob	<i>Manager:</i> R. W. Gosselin
Secretarial	
<i>Deputy Secretaries:</i> G. R. d'Artois, Miss J. Julien	

## Atlantic Region

IDB lending activity in the Atlantic provinces during fiscal year 1974 was up by 14% in number and 22% in amount of loans over fiscal 1973. The loans approved in the Atlantic region by type of business in the two years were as follows:

Type of business	Loan Approvals			
	Fiscal 1973		Fiscal 1974	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	81	\$4,131	101	\$ 5,959
Wholesale and retail trade	285	7,813	367	10,600
Tourist industry	215	7,252	217	8,335
Agriculture	17	753	10	246
Construction	38	1,210	42	1,488
Transportation and storage	16	435	18	997
Other	112	4,436	113	4,197
	<u>764</u>	<u>\$26,030</u>	<u>868</u>	<u>\$31,822</u>



Maritime steel yard.

## Officers (continued)

**Atlantic Regional Office:** ..... 1583 Hollis Street, Halifax

*General Manager:* I. D. MacLaren

*Supervisor:* J. G. Kenna

*Regional Engineer:* E. G. Jopling

*Regional Director of Advisory Services:* M. F. Clooney

*Regional Solicitor:* G. P. Bauchman

*Administration Officer:* J. P. Michaud

### Branches:

St. John's	<i>Manager:</i> G. W. Kyte <i>Assistant Manager:</i> K. E. S. Mercer	Viking Bldg., Crosbie Road
Corner Brook	<i>Manager:</i> J. B. Lane	Corner Brook Plaza, Trans Canada Highway
Halifax	<i>Manager:</i> R. M. Williams <i>Assistant Manager:</i> E. K. Harding	Trade Mart, 2021 Brunswick Street
Sydney	<i>Manager:</i> D. G. Fitzgerald	48-50 Dorchester Street
Saint John	<i>Manager:</i> A. Highet <i>Assistant Manager:</i> M. J. Walsh	75 Prince William Street
Moncton	<i>Manager:</i> J. A. Boudreau <i>Assistant Manager:</i> D. G. Fulton	860 Main Street
Charlottetown	<i>Manager:</i> J. A. Clinton	51 University Avenue

Over the past five years, the Bank has more than tripled its business in the Atlantic provinces. It has also made its services more available to business persons by opening branch offices and by increasing the number of advertised visits by IDB representatives to numerous communities throughout the Atlantic region. The increase in the activity of the Bank in the region during the period is shown in the following comparison:

	Fiscal Years	
	1969	1974
Number of loans approved	266	868
Amount of loans approved (\$000)	\$10,548	\$31,822
Number of branch offices	4	7
Number of advertised visits	197	794
Enquiries received on visits	750	2,128

## Quebec Region

In fiscal 1974, IDB lending in Quebec increased by 19% in both number and amount of loans over the previous year. Loans to most types of business in Quebec were up as follows:

Type of business	Loan Approvals			
	Fiscal 1973		Fiscal 1974	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	446	\$30,752	488	\$31,925
Wholesale and retail trade	356	14,675	495	19,291
Tourist industry	335	15,500	367	19,936
Agriculture	28	2,164	31	1,936
Construction	62	2,821	74	3,153
Transportation and storage	40	1,750	30	1,466
Other	116	4,137	167	7,994
	<u>1,383</u>	<u>\$71,799</u>	<u>1,652</u>	<u>\$85,701</u>

During the year, the Bank replaced its Montreal (North) office with offices in St. Laurent and St. Léonard. It also opened an office in Granby. There are now 16 IDB offices in the Quebec Region.



Quebec men's wear store.

## Officers (continued)

**Quebec Regional Office:** ..... 800 Victoria Square, Montreal

*General Manager:* J. E. Nordin

*Supervisor, Montreal District:* J. Lagacé

*Supervisor, Quebec District:* J. Y. Milette

*Assistant Supervisors:* J. Y. Bernier,  
J. M. Dunbar, P. H. Johnson

*Regional Engineer:* R. Bernaquez

*Regional Director of Advisory Services:* G. W. Madore

*Regional Solicitor:* R. Gauthier

*Assistant Regional Solicitor:* A. Bahary

*Regional Training Officer:* M. D. Légaré

### Branches:

Sept-Îles	<i>Manager:</i> C. Tellier	690 Laure Boulevard
Rimouski	<i>Manager:</i> J. G. Germain	320 St. Germain Street, East
Chicoutimi	<i>Manager:</i> J. R. Leahey	152 Racine Street, East
Quebec	<i>Manager:</i> P. G. Malépart <i>Assistant Managers:</i> J. D. Casavant, F. Roy	925 Chemin St. Louis
Trois-Rivières	<i>Manager:</i> J. C. Martin	550 Bonaventure Street
Sherbrooke	<i>Manager:</i> R. Trudeau	1845 King Street, West
Granby	<i>Manager:</i> R. Bergeron	161 rue Principale
Longueuil	<i>Manager:</i> G. H. Bourque	101 Place Charles Lemoyne
Montreal (South)	<i>Manager:</i> J. R. Leduc <i>Assistant Managers:</i> J. J. Husny, I. A. Smith	800 Victoria Square, Montreal
Sub-branch to Montreal (South)		Place Frontenac, 2600 Ontario Street, East, Montreal
St. Laurent	<i>Manager:</i> B. Hryniowski <i>Assistant Manager:</i> M. Bourret	750 Laurentien Boulevard
St. Léonard	<i>Manager:</i> J. M. Boucher <i>Assistant Manager:</i> P. West	5960 Jean Talon Street, East
St. Jérôme	<i>Manager:</i> M. Dépot	Galeries des Laurentides St. Antoine des Laurentides
Rouyn-Noranda	<i>Manager:</i> J. Lemay	65 Mgr Tessier Street, West, Rouyn
Hull	<i>Manager:</i> J. A. Dugas	295 St. Joseph Boulevard
Ottawa	<i>Manager:</i> J. R. Bernard <i>Assistant Manager:</i> L. E. McArdle	151 Sparks Street

## Ontario Region

The number of IDB loans to businesses in Ontario increased by 34% and the amount by 47% in 1974 as against the previous fiscal year. The classification of lending in the two years was:

Type of business	Loan Approvals			
	Fiscal 1973		Fiscal 1974	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	476	\$21,906	544	\$ 26,614
Wholesale and retail trade	513	19,081	720	25,891
Tourist industry	352	16,440	454	26,355
Agriculture	68	2,509	156	7,466
Construction	93	4,490	131	5,177
Transportation and storage	44	2,031	63	3,000
Other	243	8,879	323	16,347
	1,789	\$75,336	2,391	\$110,850

Branch offices were opened in Owen Sound and Stratford during the year and there are now 19 branches in the Ontario Region.



Miniature golf course in Northern Ontario.

## Officers (continued)

**Ontario Regional Office:** ..... 250 University Avenue, Toronto

*General Manager:* K. A. Powers

*Supervisor:* K. K. Hay-Roe

*Assistant Supervisor:* J. T. Horne

*Regional Engineer:* C. H. Cleghorn

*Regional Director of Advisory Services:* J. P. Roberts

*Regional Legal Officer:* B. K. Grafen

*Regional Training Officer:* J. D. Carruthers

*Administration Officer:* R. J. Collins

### Branches:

Kingston	<i>Manager:</i> E. A. Duddle	797 Princess Street
Oshawa	<i>Manager:</i> K. W. Bolam	22 King Street, West
	<i>Assistant Manager:</i> W. S. Beatty	
Toronto	<i>Manager:</i> J. G. Wilson	250 University Avenue
	<i>Assistant Managers:</i> J. I. Hamilton, L. P. Hancey	
Toronto-North	<i>Manager:</i> W. Y. Torrance	4430 Bathurst Street,
	<i>Assistant Manager:</i> E. D. McCrindell	Downsview
Barrie	<i>Manager:</i> W. Forman	70 Collier Street
Oakville	<i>Manager:</i> R. V. Crank	345 Lakeshore Road, East
Hamilton	<i>Manager:</i> J. R. Sugden	20 Hughson Street, South
	<i>Assistant Manager:</i> C. A. Graham	
St. Catharines	<i>Manager:</i> R. J. Kenny	205 King Street
Kitchener-Waterloo	<i>Manager:</i> D. C. Sedgwick	305 King Street West,
	<i>Assistant Manager:</i> K. R. Elliott	Kitchener
Owen Sound	<i>Manager:</i> G. J. Marshall	1139 Second Avenue, East
London	<i>Manager:</i> C. B. Ready	197 York Street
	<i>Assistant Manager:</i> H. G. Basler	
Stratford	<i>Manager:</i> B. B. Baron	1032 Ontario Street
Chatham	<i>Manager:</i> R. A. Lewis	59 Adelaide Street, South
Windsor	<i>Manager:</i> Miss R. W. Jesshope	500 Ouellette Avenue
	<i>Assistant Manager:</i> M. A. Renfrew	

### Northern Ontario District Office:

Station Mall, Sault Ste. Marie

*Supervisor:* W. H. Jay

*Assistant Supervisor:* J. R. Lafond

Sudbury

*Manager:* R. J. Clinchy

*Assistant Manager:* M. W. Galloway

96 Larch Street

Timmins

*Manager:* F. T. Watters

83 Algonquin Blvd., West

Sault St. Marie

*Manager:* K. G. Hopper

452 Albert Street, East

Thunder Bay

*Manager:* R. L. Frizell

106 Centennial Square

*Assistant Manager:* D. F. Dickson

Kenora

*Manager:* L. C. Holmstrom

120 Second Street, South

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## Prairie and Northern Region

The Bank approved 51% more loans to businesses in the three Prairie provinces, Yukon Territory, and Northwest Territories in fiscal year 1974 than in fiscal 1973. The total amount of loans was up by 60%. IDB lending to all types of business increased as follows:

Type of business	Loan Approvals			
	Fiscal 1973		Fiscal 1974	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	146	\$ 6,910	203	\$10,435
Wholesale and retail trade	325	12,158	440	16,365
Tourist industry	167	11,329	235	15,590
Agriculture	179	6,509	344	14,777
Construction	54	2,080	94	3,114
Transportation and storage	52	2,196	58	2,908
Other	165	6,119	268	12,746
	<u>1,088</u>	<u>\$47,301</u>	<u>1,642</u>	<u>\$75,935</u>

Two offices, Calgary South and Edmonton South, were opened recently to enhance the services of the Bank in the respective areas. There are now 13 IDB offices to serve the region.



Prairie recording studio.

## Officers (continued)

**Prairie and Northern Regional Office:** ..... 161 Portage Avenue, Winnipeg

*General Manager:* R. H. Wheeler

*Supervisor:* D. A. Kerley

*Assistant Supervisors:* D. S. Brown, M. D. Rudkin

*Regional Engineer:* D. G. McCrae

*Regional Director of Advisory Services:* C. V. Spielman

*Regional Solicitor:* H. K. Olson

*Regional Training Officer:* R. J. McGregor

*Administration Officer:* H. D. Ramsey

### Branches:

Winnipeg	<i>Manager:</i> J. O. Skerry <i>Assistant Manager:</i> L. H. Lieberman	161 Portage Avenue
Brandon	<i>Manager:</i> K. T. James	144 Sixth Street
Regina	<i>Manager:</i> G. J. Hiltz <i>Assistant Manager:</i> M. Fostyk	2220-12th Avenue
Saskatoon	<i>Manager:</i> D. K. Wiggins <i>Assistant Manager:</i> J. W. Feindel	1102 CN Towers, Midtown Plaza
Lethbridge	<i>Manager:</i> J. E. Evans <i>Assistant Manager:</i> A. R. Hoffman	740-4th Avenue, South
Calgary	<i>Manager:</i> K. R. Miller <i>Assistant Managers:</i> N. L. Crowe, A. E. de Laforest	404 Sixth Avenue, S.W.
Calgary South	<i>Manager:</i> J. W. Melymick	404 Sixth Avenue, S.W., Calgary
Red Deer	<i>Manager:</i> W. L. Hutton	4909 Gaetz Avenue
Edmonton	<i>Manager:</i> M. T. Collins <i>Assistant Managers:</i> J. W. D. Courchene, H. H. Dashevsky	10150-100th Street
Edmonton South	<i>Manager:</i> L. A. Zachary	10150-100th Street, Edmonton
Yellowknife	Sub-branch to Edmonton	5010-50th Avenue
Grande Prairie	<i>Manager:</i> R. C. Allison <i>Assistant Managers:</i> G. E. Bacon, W. Schmidt	10104-101 Avenue
Whitehorse	Sub-branch to Grande Prairie	Travelodge Commercial Mall

## British Columbia Region

IDB lending in British Columbia rose in fiscal year 1974 by 11% in number of loans and 33% in amount over the previous year. Loans approved to businesses in the province in the two years were as follows:

Type of business	Loan Approvals			
	Fiscal 1973		Fiscal 1974	
	No.	Amount (\$'000)	No.	Amount (\$'000)
Manufacturing	346	\$15,969	353	\$24,959
Wholesale and retail trade	670	23,259	854	39,504
Tourist industry	558	32,706	603	35,801
Agriculture	253	10,783	303	14,391
Construction	175	6,075	180	6,787
Transportation and storage	115	5,939	111	8,315
Other	718	29,601	755	35,956
	2,835	\$124,332	3,159	\$165,713

In 1974, the Bank opened offices in Burnaby, Richmond, and Nanaimo and a sub-office in Abbotsford. There are now 15 IDB offices in British Columbia.



Houseboat rental service in British Columbia.

## Officers (continued)

**British Columbia Regional Office:** ..... 900 West Hastings Street, Vancouver

*General Manager:* J. E. Millard

*Supervisors:* O. H. Morgan, L. F. Smith

*Assistant Supervisors:* H. W. Baker, R. B. Thomas

*Regional Engineer:* G. B. G. Ross

*Regional Director of Advisory Services:* R. P. Dohan

*Regional Solicitor:* T. A. James

*Regional Training Officer:* D. M. Carter

*Assistant Regional Solicitor:* W. J. Birney

*Administration Officer:* R. E. McMurray

### Branches:

Cranbrook	<i>Manager:</i> R. M. Leite <i>Assistant Manager:</i> D. W. Forsyth	30 South 11th Avenue
Kelowna	<i>Manager:</i> T. F. Ching <i>Assistant Manager:</i> R. S. Keyes	260 Harvey Avenue
Kamloops	<i>Manager:</i> M. G. H. O'Reilly <i>Assistant Manager:</i> D. H. Van Dusen	235 First Avenue
Prince George	<i>Manager:</i> E. T. Brignall <i>Assistant Managers:</i> T. W. Graham, G. S. Spence	1320 Fifth Avenue
Terrace	<i>Manager:</i> M. Kartasheff	4548 Lakelse Avenue
Chilliwack	<i>Manager:</i> M. Gumpich <i>Assistant Manager:</i> R. G. Newman	Kamar Plaza, 45850 Yale Road, West
Abbotsford	Sub-branch to Chilliwack	33827 South Fraser Way
New Westminster	<i>Manager:</i> R. W. Gray <i>Assistant Managers:</i> E. J. Popil, N. L. Smith	765-6th Street
Burnaby	<i>Manager:</i> G. C. Hamilton <i>Assistant Manager:</i> R. A. Paugh	4240 Manor Street
Richmond	<i>Manager:</i> T. G. Gilmour	375-B Shell Road
Vancouver	<i>Manager:</i> K. E. Neilson <i>Assistant Managers:</i> J. Penman, F. A. Reiter	885 Dunsmuir Street
North Vancouver	<i>Manager:</i> N. J. Weedmark <i>Assistant Manager:</i> B. Kohl	145 West 15th Street
Victoria	<i>Manager:</i> G. Kirkwood <i>Assistant Managers:</i> R. W. Johnston, D. F. Watkins	777 Broughton Street
Nanaimo	<i>Manager:</i> H. C. Tomasson <i>Assistant Manager:</i> T. H. Measham	87 Wharf Street
Campbell River	<i>Manager:</i> K. E. Phillips	906 Island Highway



## Summary of operations 1944-197

### Fiscal years ended September 30

#### LOANS AND INVESTMENTS

Authorized during period .....	
<i>Less:</i> cancellations and reductions .....	
Net authorizations .....	
Disbursements .....	
<i>Less:</i> repayments and write-offs of principal .....	
Increase in amounts outstanding .....	

#### INCOME AND EXPENSE

Income from loans and investments (interest and dividends) .....	
Other income .....	
Total income .....	
Operating expenses .....	
Salaries and other staff expenses .....	
Other .....	
Total operating expenses .....	
Cost of debentures .....	
Net income before allowance for doubtful accounts .....	
Allowance for doubtful accounts .....	
Transferred to reserve fund .....	

#### WRITE-OFFS

Bad debts written off, net .....	
----------------------------------	--

#### YEAR-END BALANCE SHEET

Loans and investments, including agreements for sale .....	
<i>Less:</i> allowance for doubtful accounts .....	
All other assets .....	
Total assets .....	
Capital, issued and paid up .....	
Reserve fund .....	
Debentures outstanding .....	
All other liabilities .....	
Total liabilities .....	

(thousands of dollars)

November 1944 to 1966	1967	1968	1969	1970	1971	1972	1973	1974	Cumulative Total
851,608	113,442	120,297	153,440	164,628	195,980	262,412	345,285	470,384	2,677,476
116,197	14,223	12,171	16,353	16,089	36,409	33,621	40,714	53,818	339,595
735,411	99,219	108,126	137,087	148,539	159,571	228,791	304,571	416,566	2,337,881
682,962	96,631	105,466	122,376	150,961	156,168	193,997	275,091	404,938	2,188,590
384,855	61,197	69,721	74,596	81,696	100,397	125,892	154,008	151,826	1,204,188
298,107	35,434	35,745	47,780	69,265	55,771	68,105	121,083	253,112	984,402
113,439	22,863	26,396	30,575	38,257	47,505	55,103	64,560	84,402	483,100
5,778	583	659	535	619	1,237	1,514	2,523	1,915	15,363
119,217	23,446	27,055	31,110	38,876	48,742	56,617	67,083	86,317	498,463
29,864	5,300	5,916	6,762	7,618	8,881	10,826	13,112	17,763	106,042
10,350	1,746	1,910	2,104	2,559	2,994	3,877	5,007	6,486	37,033
40,214	7,046	7,826	8,866	10,177	11,875	14,703	18,119	24,249	143,075
51,135	13,875	16,478	20,107	26,102	30,730	33,933	40,278	54,846	287,484
27,868	2,525	2,751	2,137	2,597	6,137	7,981	8,686	7,222	67,904
8,910	1,891	1,976	1,764	2,097	4,158	4,369	4,887	4,559	34,611
18,958	634	775	373	500	1,979	3,612	3,799	2,663	33,293
2,661	641	726	1,264	847	758	1,269	1,387	2,260	11,813
334,744	371,350	419,232	487,486	543,147	611,505	733,611	987,345		
-7,500	-8,750	-9,250	-10,500	-13,900	-17,000	-20,500	-22,800		
6,061	7,597	3,773	10,467	14,522	14,717	16,264	16,220		
333,305	370,197	413,755	487,453	543,769	609,222	729,375	980,765		
44,000	47,000	51,000	53,000	55,000	58,000	62,000	71,000		
19,592	20,367	20,740	21,240	23,219	26,831	30,630	33,293		
262,500	293,600	331,500	394,100	445,500	501,700	605,900	837,300		
7,213	9,230	10,515	19,113	20,050	22,691	30,845	39,172		
333,305	370,197	413,755	487,453	543,769	609,222	729,375	980,765		



## Advisory Services

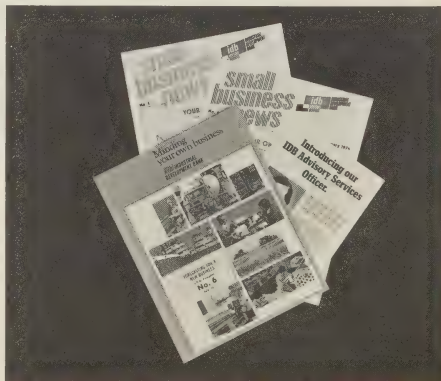
As noted on page 10, the Advisory Services department of the Bank undertakes various activities to promote good management practices in small businesses. One activity is the seminar program which offers management training to business people in smaller cities and towns across Canada. During the year, 176 seminars were held and the topics discussed included the interpretation of financial statements, cash flow, financial planning and forecasting, and the advantages and disadvantages of incorporating a business. Seminar audiences average some 20 to 30 persons who participate directly in the program by group discussion of a case study and the presentation of solutions to business problems.

The Advisory Services department also prepares and distributes a series of pamphlets on various aspects of managing a small business under the general heading of "Minding Your Own Business". Twelve pamphlets are now available and cover subjects such as extending credit, business forecasting, managing assets, starting a motel and equity capital for small companies.

At each office of the Bank is a small library of free or inexpensive publications available from numerous sources and dealing with many aspects of business management.

These booklets are available for reference by the public and interested persons are informed where they can obtain copies.

During the past year a service was introduced at some branch offices of the Bank to provide information about government assistance programs, both financial and non-financial, which are available to assist business. When a business person enquires about these programs and the advisory services officer considers that one may be applicable to the enquirer's business, he refers the enquirer to the local representative for the government program concerned. The officer follows up both with the enquirer and government representative to determine the results of the referral.



### To obtain Advisory Services publications

Anyone wishing to obtain any of the "Minding Your Own Business" pamphlets or to have his or her name added to the mailing list to receive future pamphlets and editions of "Small Business News" may write to:

Director of Advisory Services,  
Industrial Development Bank,  
116 Leacock Drive,  
Pointe Claire, Quebec H9R 1H1

The titles of the pamphlets are:

- No. 1. Reference booklets for small business.
- No. 2. Giving credit to your customers.
- No. 3. Presenting your case for a term loan.
- No. 4. Forecasting for an existing business.
- No. 5. Managing your current assets.
- No. 6. Forecasting for a new business.
- No. 7. Managing your fixed assets.
- No. 8. Managing your cash.
- No. 9. Working capital.
- No. 10. Changes of ownership.
- No. 11. Starting a motel.
- No. 12. Equity capital for small companies.

To be issued shortly:

- No. 13. Paying your employees.
- No. 14. Personnel records.







CA1  
FN130  
- R27



**Annual  
Report  
1975**

Industrial Development Bank  
(Succeeded by Federal Business Development Bank, October 2nd, 1975)



## Board of Directors

*G. K. Bouey	Ottawa, Ont.
*R. W. Lawson	Ottawa, Ont.
*J. G. Burchill	Nelson-Miramichi, N.B.
R. W. Campbell	Calgary, Alta.
C. A. Dagenais	Montreal, Que.
William Dodge	Ottawa, Ont.
W. R. Jenkins	Charlottetown, P.E.I.
*S. Kanee	Winnipeg, Man.
S. G. Lake	Ramea, Nfld.
J. G. Langs	Hamilton, Ont.
J. W. E. Mingo, O.C.	Halifax, N.S.
*T. K. Shoyama	Ottawa, Ont.
J. A. Stack	Saskatoon, Sask.
*O. G. Stoner	Ottawa, Ont.
*J. Taschereau	Quebec, Que.
A. Walton	Vancouver, B.C.

\* Member of the Executive Committee.

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Bank of Canada · Banque du Canada

Ottawa K1A 0G9



December 9th, 1975

The Hon. Donald S. Macdonald, P.C.,  
Minister of Finance,  
Ottawa.

Dear Mr. Macdonald,

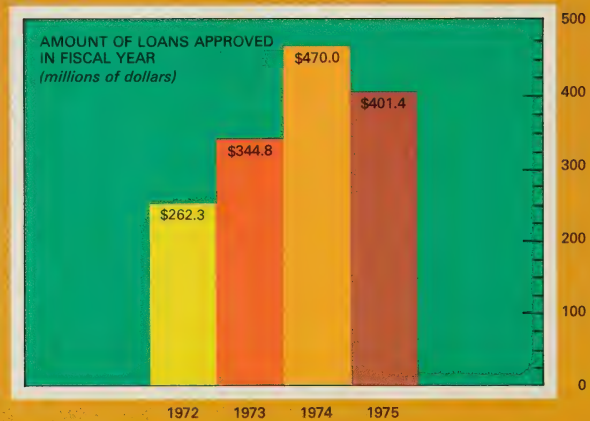
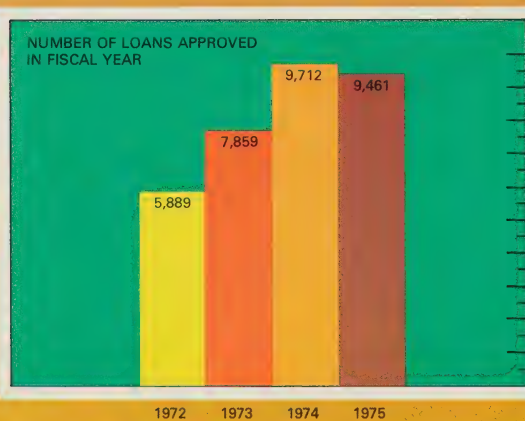
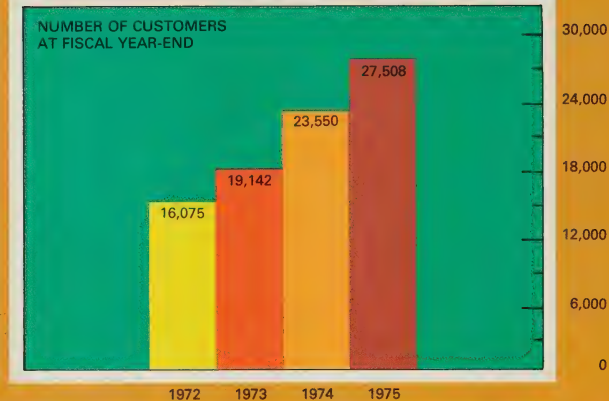
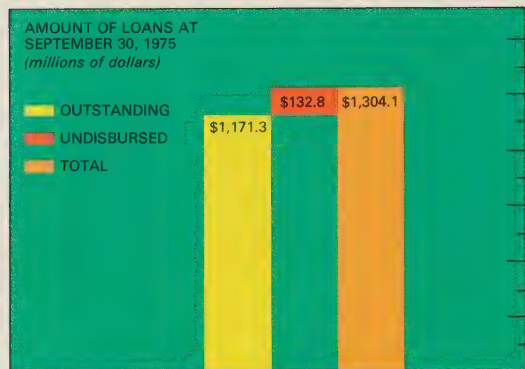
In accordance with the provisions of the Industrial Development Bank Act, I enclose my report as President of the Bank for the fiscal year ended September 30th, 1975, and a statement of the Bank's accounts for this period which is signed and certified in the prescribed manner. Because the Federal Business Development Bank did not take over from the Industrial Development Bank until October 2nd, 1975, a certified statement of the assets and liabilities of the latter Bank as at the close of business on October 1st, 1975 is also included in the report.

Yours sincerely,

A handwritten signature in dark ink, appearing to be "J. B. McEwen", written over a horizontal line.

On September 30th, 1975, 27,500 businesses across Canada had a total of \$1,304,000,000 in loans from the Industrial Development Bank. The photographs in this report illustrate the facilities, activities, and products of some of the customers of the Bank.

# Highlights



# Report of the President

## Ending and Beginning

The year ended September 30th, 1975 was the last year of operation of the Industrial Development Bank; it was also the second most active one in the 31 year history of the Bank. In addition, it was a year when intensive preparations were made for the start of a new Bank which would succeed IDB and would undertake a wider role in the establishment and development of smaller businesses in Canada.

In my report for the 1974 fiscal year, I referred to the legislation which was then before Parliament to incorporate the IDB into a new Crown corporation, the Federal Business Development Bank. This legislation was enacted by Parliament on December 20th, 1974 and the Federal Business Development Bank Act was proclaimed in force on October 2nd, 1975.

Thus, during the past year, not only did IDB maintain its lending activity at a high level, open new offices, and enlarge its management services, but it made the many and necessary arrangements for its succession by the Federal Business Development Bank.

## 9,461 Loans for \$401,404,000

In its 1975 fiscal year, IDB authorized 9,461 loans for a total amount of \$401,404,000, compared with 9,712 loans approved for \$470,120,000 in fiscal 1974, the record lending year in the history of the Bank. During the first half of fiscal 1975, lending was down from the level in the same period in the previous year. This was in part attributable to the general economic conditions prevailing at the time. Also in the first quarter, the Bank did not make loans of \$200,000 and over because the total amount outstanding for loans in this category was at the limit authorized by the IDB Act. This statutory limitation was lifted when the FBDB Act was passed last December.

In the last half of the year, the rate of lending increased so that by the end of the year the number of loans was down by only 3% and the amount by 15% compared to the record year of fiscal 1974.

At its 1975 fiscal year end, IDB had \$1,304 million outstanding or committed in loans to 27,500 businesses across

Canada. These businesses had borrowed the money to help modernize, expand or start new enterprises or for some other useful business purpose. They obtained the financial assistance from IDB when they could not obtain it from other sources on reasonable terms and conditions. Their number had increased by 3,950 over the 1974 fiscal year end when 23,550 customers of the Bank had \$1,132 million in IDB loans.

### Loan Approvals

<i>Type of Business</i>	Fiscal 1974		Fiscal 1975	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	1,689	\$ 99,892	1,639	\$ 78,664
Wholesale and retail trade	2,876	111,653	2,990	102,125
Tourist industry	1,876	106,017	1,714	87,414
Agriculture	844	38,815	639	28,374
Construction	521	19,719	561	20,240
Transportation and storage	280	16,686	325	14,337
Other	1,626	77,239	1,593	70,250
	<u>9,712</u>	<u>\$470,021</u>	<u>9,461</u>	<u>\$401,404</u>



## Nine New Offices

In the year, the Bank continued its program of opening new offices to make its services more accessible to businesses. An office was established at Truro, Nova Scotia, and one at Fredericton, New Brunswick. Offices were opened at Lévis, Drummondville, and Valleyfield in Quebec, and in Scarborough and Etobicoke in the Metropolitan Toronto area. The new St. Boniface office was organized to serve Manitoba businesses east of the Red River, and an office was opened in Prince Albert to serve businesses in Northern Saskatchewan.

At the year-end, there were 80 offices, including sub-branches across Canada, namely, Newfoundland 2, Nova Scotia 3, New Brunswick 3, Prince Edward Island 1, Quebec 18, Ontario 23, Manitoba 3, Saskatchewan 3, Alberta 7, British Columbia 15, Yukon 1, and Northwest Territories 1. In addition, there were regional offices at Halifax, Montreal, Toronto, Winnipeg and Vancouver. These offices supervised the activities of the branch offices in each of their respective regions and each was in charge of a Regional General Manager.

There was also a Northern Ontario District Office at Sault Ste. Marie which supervised the work of the five branch offices in Northern Ontario. The Federal Business Development Bank is now operating through this network of regional, district and branch offices.

The lending authority of IDB was markedly decentralized so that some 60% of all loans were approved at branch offices and 37% at regional offices in fiscal 1975. Only 3% or less of the loans required approval at the Chief General Manager's Office or by the Board of Directors.

Through its expanding network of branches, delegation of lending authority to its branch and regional offices, and streamlining of its procedures, the Bank was able to deal more promptly and effectively with applications made to it for loans. In fiscal 1975, a decision on a loan application was reached on the average in 15 days.

## Making IDB Services Known

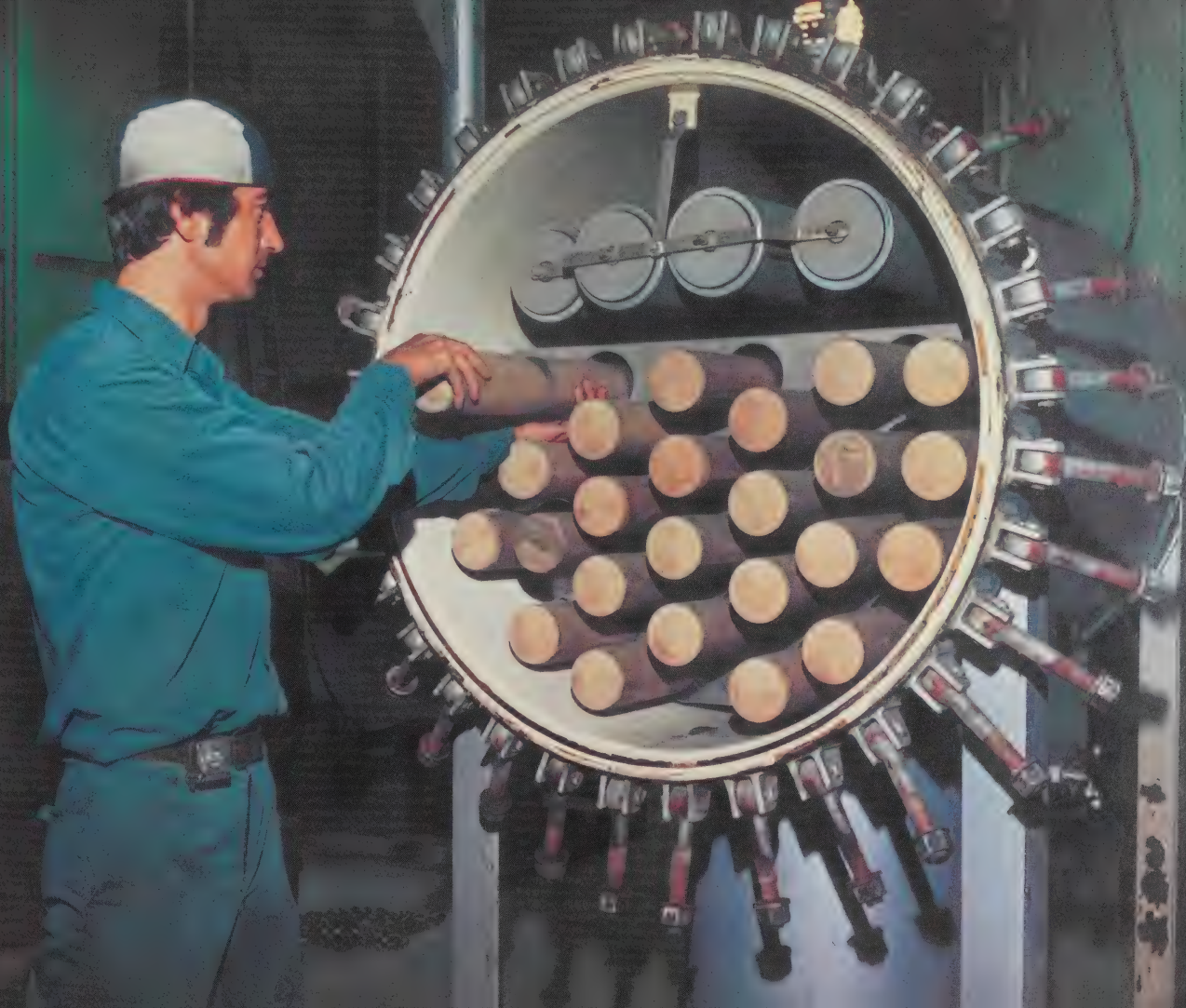
In addition to expanding the network of branches, other efforts were

undertaken in the year to acquaint business persons with the services of the Bank.

Over the years, IDB representatives have visited many communities in order to discuss financing proposals with business people in their own localities. The number of these visits, which were advertised in advance, steadily increased each year until in fiscal 1975, 6,240 visits were made to over 700 communities. When making the visits, the representatives received more than 16,000 enquiries and some 20% of the loans approved during the year resulted from the advertised visit program.

In certain areas some offices used mobile vans which they stationed close to the centre of the town being visited and in which they conducted interviews with interested persons.

Officers of the Bank addressed some 400 meetings of Chambers of Commerce, service clubs, and other organizations. They also attended over 600 business meetings, had displays at various trade exhibitions, showed a film and a slide show which illustrated the work of the



Bank, and distributed around 35,000 copies of a descriptive booklet.

In these and other ways, the Bank endeavoured to inform business people and their advisers of its services and of the desire of the Bank to give prompt and complete consideration to the financial needs of their enterprises.

### **Management Services**

The Management Services department of the Bank continued and expanded its program of assisting business persons to improve their management practices.

Nearly 300 seminars were held in smaller centres across the country when matters relating to the successful operation of a business were discussed. Some 6,400 persons attended these one day meetings which were arranged in cooperation with local organizations, whose members assisted IDB personnel in organizing the seminars.

The department continued to distribute its pamphlets prepared under the general heading of "Minding Your

Own Business". Written in non-technical language, they covered fourteen topics including working capital, managing cash, starting a motel, and other subjects. Nine of the pamphlets were combined into one book which was offered for sale. Some 7,000 copies of the book were sold and over a million copies of the individual pamphlets have been distributed. In addition, the department issued its quarterly bulletin, "Small Business News" which contained items of current business interest.

### **Preparing for FBDB**

Following upon the Government's announcement in July 1973 of its intention to replace IDB with a Crown corporation to provide financial and management services to business, preparations were begun for the advent of the new organization. The tempo of these preparations increased over the past year. The Chief General Manager participated in sessions of the parliamentary committee considering the Federal Business Development Bank Act, and other IDB officers attended many meetings of inter-departmental committees. Since the new Bank was









expected to undertake more equity financing than had previously been done by IDB, officers of the Bank spent considerable time during the year in becoming better acquainted with the forms and procedures of equity financing. They were in touch with firms which provide venture capital, and they established guidelines and procedures for considering equity proposals.

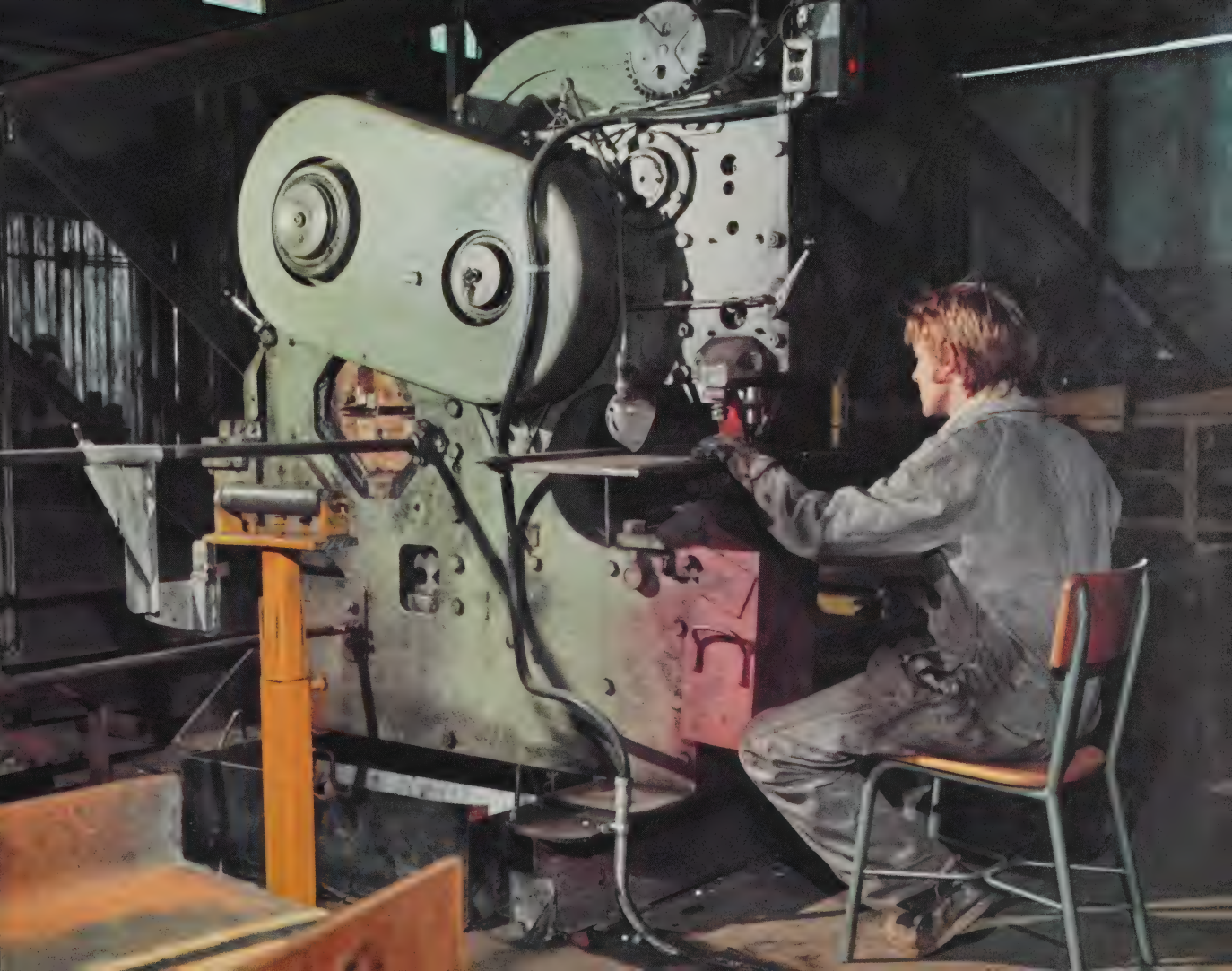
Because FBDB would be providing management counselling service to business, and since for this purpose, the CASE (Counselling Assistance for Small Enterprise) program previously operated by the Department of Industry, Trade and Commerce would become part of the new Bank, IDB representatives met the CASE personnel across the country to explain the function of the new Bank and to arrange for the effective operation of the new and enlarged counselling service.

The seminar program of the Management Services department referred to above is to be continued under the management training service of FBDB and plans were made to increase the number of seminars during the coming year. Arrangements were

also made to take over the direction of the owner-manager series of training courses previously under the Department of Manpower and Immigration and discussions were held with various provincial governments regarding their use of these courses.

Another service of FBDB is to be the provision of information on government programs of assistance to businesses. In preparation for this service, the Management Services department of IDB prepared a directory of about 100 such federal government programs, and trained personnel to provide the service at two or three branches in each region. In 1974, the Bank began to supply this information service in Halifax and Saint John, N.B. By advertisements in the local media, business people were invited to consult the management services officers to learn whether there was a government program available to assist their enterprises. During the past year, the service was extended to the other regions of the Bank and plans were made to extend it further when FBDB came into operation. Last year some 2,500 enquiries were received. In most instances, the enquirer was referred to a specific person in one or more





government departments or agencies concerning programs of possible assistance.

There were numerous other preparations made for the changeover from IDB to FBDB including new application forms, cheques, advices to customers, pamphlets, and a host of items. Thus, when FBDB began operations on October 2nd last, much of the work had been done to launch the new Bank effectively.

### Financial Results in 1975

At the beginning of fiscal year 1975, the level of the loans and investments of the Bank was \$987 million. This was some \$251 million above the level at the beginning of 1974 and formed the base for the interest income of 1975. Interest income was \$114 million in 1975, an increase of some \$29 million over 1974.

Operating expenses for the year were \$30.0 million, an increase of \$5.7 million over fiscal 1974. The increase included some \$4.0 million in salaries and staff expenses and some \$1.7 million in other expenses. Staff salaries and expenses were in line with the additional

customer accounts under administration. In other expenses, the major item was rental charges for leased premises.

Because of favourable interest rates on new term debt of the Bank through many months of 1975 and because the increase in term debt was \$61.4 million less in 1975 than in 1974, the cost of carrying this debt increased 24.8% in 1975 compared to 46.1% in 1974. Actual term debt increased to \$1,007 million at the end of 1975 from \$837.3 million at the end of 1974, an increase of \$170 million.

Net income, before allowance for doubtful accounts for the year at \$12.0 million, was \$4.8 million above that recorded for 1974. The changes from previous years, all calculated as a percentage of average loans and investments outstanding, are shown in the following table:

	Fiscal 1971	Fiscal 1972	Fiscal 1973	Fiscal 1974	Fiscal 1975
Income .....	9.43%	9.86%	10.04%	10.09%	10.68%
Operating costs .....	2.30	2.56	2.71	2.83	2.77
Cost of Debentures .....	5.94	5.91	6.03	6.41	6.79
Net income before allowance for doubtful accounts .....	1.19	1.39	1.30	0.85	1.12







During the year \$3.7 million in bad debts were written off, compared to \$2.3 million during the previous year. Specific examination of doubtful accounts at the year-end revealed the possibility of a similar level of write-offs during future fiscal periods. Therefore, there was appropriated from profits \$7.6 million, \$3.6 million to provide for write-offs (after recoveries of \$0.1 million) and \$4 million to increase the allowance for doubtful accounts to \$26.8 million.

The balance of income for the year, \$4.4 million, increased the Reserve Fund to \$37.7 million.

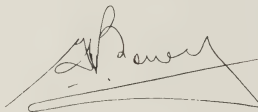
Financial statements reflecting all of the above are included with this report. Since the Federal Business Development Bank did not take over from the Industrial Development Bank until October 2nd, a balance sheet for the latter Bank as at the close of business on October 1st, 1975 is also included.

### **In Conclusion**

During its existence from November 1, 1944 to September 30, 1975, IDB authorized 65,000 loans for \$3,000,000,000 to more than 48,000

businesses in Canada. This record was achieved through the efforts of the men and women who served the Bank well over the 31 years. To the 1,547 members of the staff in the employ of the Bank on September 30th last, I express my thanks for their work in the last fiscal year of the Bank and my best wishes for their continuing success with the Federal Business Development Bank.

I believe the Industrial Development Bank has played a valuable role in assisting business in Canada, particularly small business, and I am confident that its successor, the Federal Business Development Bank, with its enlarged mandate, will continue the good work in this field.



President.











## Loan approvals during fiscal years ended September 30

	NUMBER
	1970
CLASSIFICATION BY NEW OR EXISTING BORROWERS:	
To new borrowers .....	2,735
To existing borrowers .....	849
Total .....	<u>3,584</u>

### CLASSIFICATION BY SIZE:

\$ 5,000 or less .....	98
Over 5,000 to 25,000 .....	1,724
Over 25,000 to 50,000 .....	926
Over 50,000 to 100,000 .....	564
Over 100,000 to 200,000 .....	196
Total up to \$200,000 .....	3,508
Over \$200,000 .....	76
Total .....	<u>3,584</u>
Average size .....	

### CLASSIFICATION BY PROVINCE:

Newfoundland .....	81
Prince Edward Island .....	34
Nova Scotia .....	116
New Brunswick .....	85
Quebec .....	601
Ontario .....	978
Manitoba .....	101
Saskatchewan .....	112
Alberta .....	330
British Columbia .....	1,094
Yukon .....	23
N.W. Territories .....	29
Total .....	<u>3,584</u>

1971	1972	1973	1974	1975
3,257	4,349	5,716	7,109	6,775
1,192	1,540	2,143	2,603	2,686
<u>4,449</u>	<u>5,889</u>	<u>7,859</u>	<u>9,712</u>	<u>9,461</u>

176	242	374	402	461
1,977	2,617	3,365	4,010	4,127
1,335	1,739	2,347	2,901	2,802
664	903	1,251	1,602	1,453
227	276	383	612	501
<u>4,379</u>	<u>5,777</u>	<u>7,720</u>	<u>9,527</u>	<u>9,344</u>
70	112	139	185	117
<u>4,449</u>	<u>5,889</u>	<u>7,859</u>	<u>9,712</u>	<u>9,461</u>

87	149	197	245	314
33	46	83	77	57
136	186	260	262	369
112	142	224	284	286
654	1,085	1,383	1,652	1,459
1,216	1,568	1,789	2,391	2,507
156	151	179	248	208
138	140	178	246	205
430	436	646	1,067	957
1,428	1,928	2,835	3,159	3,019
43	42	47	40	29
16	16	38	41	51
<u>4,449</u>	<u>5,889</u>	<u>7,859</u>	<u>9,712</u>	<u>9,461</u>

# AMOUNT (\$000)

1970	1971	1972	1973	1974	1975
122,920	146,786	194,484	251,356	344,718	298,062
41,708	49,194	67,826	93,442	125,303	103,342
<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>	<u>470,021</u>	<u>401,404</u>

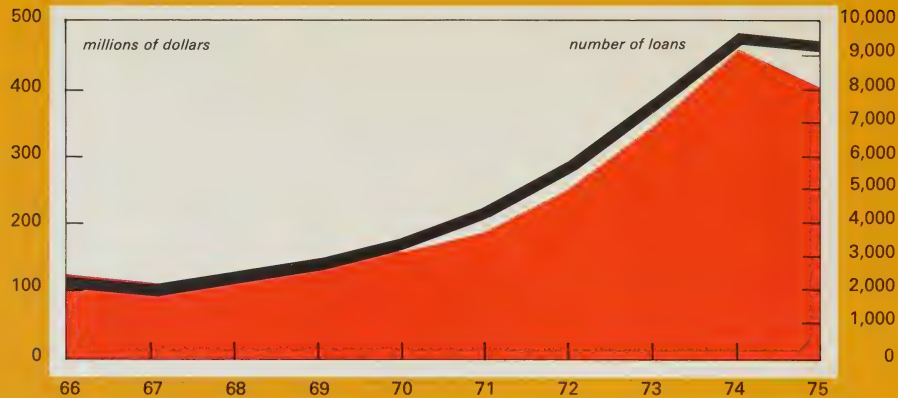
405	733	1,016	1,521	1,695	1,920
29,092	31,775	41,205	52,736	63,443	64,456
36,990	50,342	65,596	88,198	109,593	106,093
42,922	49,200	66,138	92,832	121,237	109,954
27,819	33,545	40,956	55,834	91,908	73,231
<u>137,228</u>	<u>165,595</u>	<u>214,911</u>	<u>291,121</u>	<u>387,876</u>	<u>355,654</u>
27,400	30,385	47,399	53,677	82,145	45,750
<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>	<u>470,021</u>	<u>401,404</u>
46	44	45	44	48	42

2,100	2,563	4,892	6,993	8,121	9,251
804	1,378	1,236	2,551	2,453	1,561
3,750	3,996	5,686	7,427	8,289	10,993
3,521	3,488	5,039	9,059	12,959	9,766
31,910	34,871	59,049	71,799	85,701	70,491
46,490	49,723	65,124	75,336	110,850	102,311
5,440	7,941	8,091	8,404	12,941	11,594
3,513	4,591	5,179	7,134	10,736	9,019
15,472	20,366	18,281	26,458	47,724	39,462
48,579	63,189	85,683	124,332	165,713	132,746
1,087	2,614	2,905	2,735	2,751	2,278
1,962	1,260	1,145	2,570	1,783	1,932
<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>	<u>470,021</u>	<u>401,404</u>

# LOAN APPROVALS during fiscal years ended September 30

AMOUNT  
(left-hand scale)

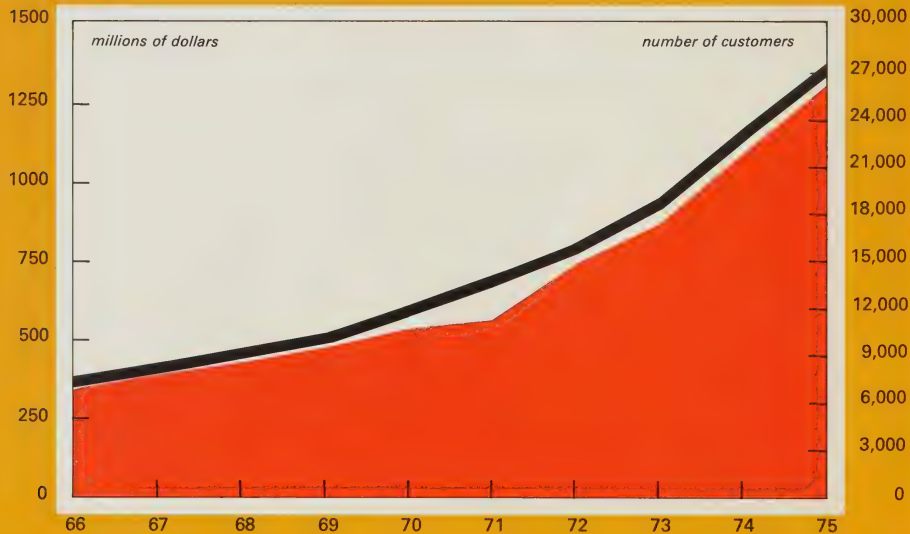
NUMBER  
(right-hand scale)



# LOANS ON THE BOOKS as at fiscal year-end September 30

AMOUNT  
OUTSTANDING  
OR COMMITTED  
(left-hand scale)

NUMBER OF  
CUSTOMERS  
(right-hand scale)





## PROVINCIAL DISTRIBUTION OF LOANS

	Accounts on books at September 30, 1975		Total authorizations November 1, 1944 to September 30, 1975	
	Number of Busi- nesses	Amounts Out- standing or Committed	Number of Busi- nesses	Amounts
		(\$000)		(\$000)
Newfoundland .....	699	25,111	1,108	49,677
Prince Edward Island .....	232	7,292	344	18,780
Nova Scotia .....	888	27,491	1,465	68,781
New Brunswick .....	758	30,269	1,398	76,555
Quebec .....	4,899	259,388	8,526	680,010
Ontario .....	7,255	309,112	13,755	861,540
Manitoba .....	784	38,405	1,826	119,947
Saskatchewan .....	780	29,840	1,661	89,232
Alberta .....	2,866	118,972	5,147	289,459
British Columbia .....	8,094	440,794	12,453	828,459
Yukon .....	129	10,193	207	18,354
N.W. Territories .....	124	7,255	191	16,320
Total .....	<u>27,508</u>	<u>1,304,122</u>	<u>48,081</u>	<u>3,117,114</u>

## SUMMARY STATISTICS OF LOANS *for fiscal years ended September 30*

<i>(Millions of Dollars)</i>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
Disbursements to borrowers .....	151.0	156.2	194.0	274.9	404.9	356.7
Repayments by borrowers including principal written off (net) .....	81.7	100.3	125.9	154.0	151.8	169.0
Increase in amounts outstanding .....	69.3	55.9	68.1	120.9	253.1	187.7
Amounts outstanding at year-end .....	485.6	541.5	609.6	730.5	983.6	1,171.3
Amounts not yet disbursed at year-end on loans authorized .....	69.9	73.4	108.1	137.5	148.9	132.8
Amounts outstanding plus undisbursed at year-end .....	555.5	614.9	717.7	868.0	1,132.5	1,304.1
Number of customers on the books at year-end .....	12,283	13,924	16,075	19,142	23,550	27,508
Average amount outstanding plus undisbursed per customer (thousands of dollars) .....	45	44	45	45	48	47



## Classification of loan approvals by type

### Manufacturing:

Foods and beverages .....	
Tobacco and tobacco products .....	
Rubber products .....	
Leather products .....	
Textile products (except clothing) .....	
Clothing (textiles and fur) .....	
Wood products .....	
Paper products (including pulp) .....	
Printing and allied industries .....	
Iron and steel products (including machinery and equipment) .....	
Transportation equipment .....	
Non-ferrous metal products .....	
Electrical apparatus and supplies .....	
Non-metallic mineral products .....	
Products of petroleum and coal .....	
Chemical products .....	
Miscellaneous manufacturing industries .....	
Commercial air services .....	
Warehousing (including refrigeration) .....	
Other transportation and storage .....	
Electric power, gas, water utilities .....	
Mines (incl. milling), quarries, oil wells .....	
Construction .....	
Industrial buildings .....	
Personal services .....	
Forestry .....	
Wholesale trade .....	
Retail trade .....	
Education and health services .....	
Recreation services .....	
Services to business management .....	
Miscellaneous services .....	
Agriculture .....	
Fishing and trapping .....	
Communications .....	
Laundries, cleaners and pressers .....	
Restaurants and other eating places .....	
Hotels, motels and other lodgings .....	
Theatres, bowling alleys, billiard halls .....	

# of business during fiscal years ended September 30

## NUMBER

1970	1971	1972	1973	1974	1975
120	153	175	164	164	162
1	—	—	1	—	1
10	10	16	12	5	5
13	9	21	18	14	11
18	18	32	27	31	43
28	40	50	70	54	46
144	168	274	287	343	303
18	13	28	31	27	22
62	104	107	140	158	171
211	233	283	341	444	418
34	39	49	100	88	64
8	12	7	11	18	16
21	29	31	27	51	52
52	52	60	67	86	93
5	2	1	4	3	3
21	24	35	44	47	37
71	85	125	151	156	192
20	42	40	45	34	62
10	6	14	10	8	8
96	118	123	212	238	255
12	10	10	15	23	27
25	30	29	29	45	41
194	239	298	422	521	561
222	286	357	529	558	504
28	39	60	67	89	104
15	24	30	89	89	70
220	262	338	390	547	471
639	819	1,247	1,759	2,329	2,519
66	67	63	80	93	77
57	84	99	113	134	132
57	71	78	93	180	203
79	85	112	211	252	267
246	338	416	545	844	639
21	17	31	33	59	56
13	13	12	12	18	23
74	91	99	149	150	154
254	356	599	834	1,051	1,088
374	431	511	680	691	494
25	30	29	47	70	67
<u>3,584</u>	<u>4,449</u>	<u>5,889</u>	<u>7,859</u>	<u>9,712</u>	<u>9,461</u>

## AMOUNT (\$000)

1970	1971	1972	1973	1974	1975
7,938	8,773	10,880	9,642	12,428	11,052
32	—	—	250	—	9
885	642	1,616	684	450	245
434	369	908	651	426	467
1,743	2,145	4,526	1,854	2,781	2,478
1,510	1,768	2,521	2,931	2,849	1,464
9,454	13,546	19,125	16,595	25,635	14,224
1,279	938	1,636	3,301	1,270	1,758
2,276	4,395	3,040	3,676	4,929	4,667
14,058	11,168	14,088	19,140	24,032	19,772
2,073	2,342	2,499	6,629	7,341	2,701
635	547	187	521	1,123	784
928	1,653	1,329	1,343	2,365	2,415
2,477	2,706	3,983	3,000	5,208	5,433
317	50	200	210	300	64
1,282	1,009	1,802	2,344	2,242	2,368
3,663	3,574	4,419	6,899	6,514	8,763
974	2,560	3,532	2,208	2,152	3,695
896	482	1,808	1,107	640	538
4,596	4,832	4,837	9,036	13,894	10,104
592	373	209	349	972	790
1,182	1,424	2,226	1,163	2,433	1,896
7,799	9,728	9,606	16,676	19,719	20,240
12,318	14,672	18,144	27,932	36,702	33,153
576	855	1,704	1,650	2,657	2,766
566	1,060	1,170	2,593	2,685	2,061
10,978	13,396	16,993	19,282	31,503	22,289
21,520	23,713	39,756	57,703	80,150	79,836
3,664	3,102	2,738	3,350	4,550	5,379
2,620	4,157	5,699	5,207	8,471	7,083
1,731	2,003	2,154	2,866	6,017	7,089
2,352	2,890	3,309	6,357	8,809	7,394
9,534	11,415	16,479	22,719	38,815	28,374
359	485	810	691	2,347	1,849
616	456	787	314	928	1,107
2,429	2,308	2,894	4,065	4,095	4,539
9,242	11,475	21,720	33,070	46,636	45,101
17,826	27,850	31,920	44,949	50,910	35,230
1,304	1,119	1,056	1,841	5,043	2,227
<u>164,628</u>	<u>195,980</u>	<u>262,310</u>	<u>344,798</u>	<u>470,021</u>	<u>401,404</u>





## Income and Expenses Year ended September 30,

### INCOME:

Interest .....	
Sundry .....	

### EXPENSES:

Salaries .....	
Pension fund, unemployment insurance and group insurance .....	
Other staff expenses .....	
Investigation and supervision expenses .....	
Travel and transfer expenses .....	
Rental and other costs—leased premises .....	
Depreciation of fixed assets .....	
Advertising .....	
Other public information .....	
Telephone and telegrams .....	
Office supplies and expenses .....	
Directors' fees .....	
Auditors' fees and expenses .....	
All other operating expenses .....	
Total operating expenses .....	
Interest on debentures (including amortization of discount and premium) .....	
Allowance for doubtful accounts .....	
Balance of income transferred to reserve fund .....	

1975 (with comparative figures for 1974)

1975	1974
113,590,530	\$84,398,024
1,886,188	1,919,197
115,476,718	86,317,221
18,833,802	15,003,451
2,341,523	2,314,443
545,898	445,434
367,964	296,929
1,435,548	1,326,816
2,583,574	1,901,990
557,744	433,224
38,155	93,697
796,421	734,426
757,125	596,486
1,338,039	857,934
9,968	11,636
44,030	30,904
323,915	201,382
29,973,706	24,248,752
73,424,694	54,845,696
7,631,348	4,559,539
111,029,748	83,653,987
\$ 4,446,970	\$ 2,663,234

## Reserve fund

### STATEMENT OF RESERVE FUND

Year ended September 30, 1975 (with comparative figures for 1974)

	1975	1974
Balance, beginning of year .....	\$33,293,146	\$30,629,912
Balance of income for the year .....	4,446,970	2,663,234
Balance, end of year .....	\$37,740,116	\$33,293,146

## Allowance for doubtful accounts

### STATEMENT OF ALLOWANCE FOR DOUBTFUL ACCOUNTS

Year ended September 30, 1975 (with comparative figures for 1974)

	1975	1974
Balance, beginning of year .....	\$22,800,000	\$20,500,000
<i>Add:</i>		
Recovery of amounts previously written off .....	104,649	85,935
Allowance for doubtful accounts for the year .....	7,631,348	4,559,539
	7,735,997	4,645,474
	30,535,997	25,145,474
<i>Less:</i>		
Bad debts written off .....	3,735,997	2,345,474
Balance, end of year .....	\$26,800,000	\$22,800,000



# Statement of Assets and Liabilities

## ASSETS

Government of Canada Treasury Bills .....	
Loans and investments (note 1) .....	
Interest due and accrued .....	
Less: Allowance for doubtful accounts .....	
Liability of others on guarantees and underwriting agreements (as per contra) .....	
Fixed assets, at cost less accumulated depreciation .....	
Other assets .....	

## NOTES TO FINANCIAL STATEMENTS

- Amounts not disbursed at September 30, 1975 on loans and investments \$135,000,000 (\$150,000,000 at September 30, 1974).
- Debentures issued to and held by the Bank of Canada at September 30,

Rate %	Maturities by fiscal year			
	1976	1977	1978	1979
5-57/8 .....	\$ 2,200	\$ —	\$ —	\$ —
6-67/8 .....	21,300	47,700	51,000	—
7-77/8 .....	45,600	67,800	81,600	113,300
8-87/8 .....	62,700	32,600	15,400	35,800
9-97/8 .....	34,300	19,000	19,000	18,900
	<u>\$166,100</u>	<u>\$167,100</u>	<u>\$167,000</u>	<u>\$168,000</u>

R. L. McLEAN  
Controller



# Assets at September 30, 1975 (with comparative figures for 1974)

1975	1974
\$ 11,869,083	\$ 8,493,808
1,175,233,960	987,344,549
7,923,933	5,692,856
1,183,157,893	993,037,405
26,800,000	22,800,000
1,156,357,893	970,237,405
190,250	223,000
1,968,686	1,471,105
425,665	340,078
<u>\$1,170,811,577</u>	<u>\$980,765,396</u>

Authorized were approximately

1975 were as follows:

(in thousands of dollars)

1980	1981	Total
\$ —	\$ —	\$ 2,200
56,500	83,200	120,000
74,600	39,800	448,000
41,500	43,500	260,900
<u>\$172,600</u>	<u>\$166,500</u>	<u>\$1,007,300</u>

G. K. BOUEY  
President

## LIABILITIES

	1975	1974
Cheques outstanding, less cash .....	\$ 14,309,212	\$ 12,677,422
Accrued interest on debentures .....	30,084,988	24,756,868
Other liabilities .....	1,309,891	1,126,764
	<u>45,704,091</u>	<u>38,561,054</u>
Liability under guarantees and underwriting agreements (as per contra) .....	190,250	223,000
Debentures outstanding (note 2) .....	1,007,300,000	837,300,000
Debenture premium and discount less amortization .....	1,877,120	388,196
	<u>1,009,177,120</u>	<u>837,688,196</u>
CAPITAL AND RESERVE FUND		
Capital:		
Authorized —		
1,250,000 shares of a par value of \$100 each		
Issued and outstanding —		
780,000 shares (710,000 shares in 1974) .....		
	78,000,000	71,000,000
Reserve fund .....	37,740,116	33,293,146
	<u>115,740,116</u>	<u>104,293,146</u>
	<u>\$1,170,811,577</u>	<u>\$980,765,396</u>

## AUDITORS' REPORT

We have examined the statement of assets and liabilities of the Industrial Development Bank as at September 30, 1975 and the statements of income and expense and of reserve fund for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Bank as at September 30, 1975 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PAUL-ANDRÉ MICHAUD, C.A.  
of Samson, Bélair & Partners

G. I. CRAIG, C.A.  
of Price Waterhouse & Co.

Ottawa, November 14, 1975

# Statement of Assets and Liabilities as at October 1, 1975 (with comparative figures for September 30, 1975)

ASSETS	October 1 1975	September 30 1975
Government of Canada Treasury Bills .....	\$ 11,869,083	\$ 11,869,083
Loans and investments (note 2) .....	1,175,233,960	1,175,233,960
Interest due and accrued .....	7,923,933	7,923,933
	1,183,157,893	1,183,157,893
Less: Allowance for doubtful accounts .....	26,800,000	26,800,000
	1,156,357,893	1,156,357,893
Liability of others on guarantees and underwriting agreements (as per contra) ...	190,250	190,250
Fixed assets, at cost less accumulated depreciation .....	1,968,686	1,968,686
Other assets .....	425,665	425,665
	<u>\$1,170,811,577</u>	<u>\$1,170,811,577</u>

LIABILITIES	October 1 1975	September 30 1975
Cheques outstanding, less cash (note 1) .....	\$ 13,316,112	\$ 14,309,212
Accrued interest on debentures (note 1) .....	9,608,738	30,084,988
Other liabilities .....	1,309,891	1,309,891
	<u>24,234,741</u>	<u>45,704,091</u>
Liability under guarantees and underwriting agreements (as per contra) .....	190,250	190,250
Debentures outstanding (notes 1 and 3) .....	1,027,800,000	1,007,300,000
Debenture premium and discount less amortization (note 1) .....	1,846,470	1,877,120
	<u>1,029,646,470</u>	<u>1,009,177,120</u>
CAPITAL AND RESERVE FUND		
Capital:		
Authorized — 1,250,000 shares of a par value of \$100 each		
Issued and outstanding — 790,000 shares (780,000 shares at September 30, 1975) (note 1) .....	79,000,000	78,000,000
Reserve fund .....	37,740,116	37,740,116
	116,740,116	115,740,116
	<u>\$1,170,811,577</u>	<u>\$1,170,811,577</u>

## AUDITORS' REPORT

As auditors of the Industrial Development Bank we have examined its financial statements as at September 30, 1975 and have reported thereon under date of November 14, 1975. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We have also examined the statement of assets and liabilities of the Industrial Development Bank as at October 1, 1975 which, as explained in Note 1, has been prepared to reflect certain transactions occurring on that date, and have made such additional tests of records as we considered necessary.

In our opinion this statement of assets and liabilities presents fairly, on the basis described above, the closing financial position of the Bank as at October 1, 1975.

PAUL-ANDRÉ MICHAUD, C.A.  
of Samson, Bélair & Partners

G. I. CRAIG, C.A.  
of Price Waterhouse & Co.

Ottawa, November 14, 1975

G. K. BOUEY  
President

R. L. McLEAN  
Controller

# Notes to Statement of Assets and Liabilities as at October 1, 1975

1. The attached statement of assets and liabilities is based on the audited financial statements of the Industrial Development Bank as at September 30, 1975. It represents the financial position of the Bank as at the close of business on October 1, 1975, as shown by the books of account of the Bank, after giving effect to the following transactions which took place on October 1, 1975:

(a) The issue of 10,000 shares of a par value of \$100 each amounting to \$1,000,000 to the Bank of Canada for cash.

(b) The issue of the following debentures of a face value of \$64,700,000 to the Bank of Canada for \$64,669,350 cash:

Rate	Maturity	Face value
8 <sup>7</sup> / <sub>8</sub> %	October 1, 1976	\$ 3,500,000
9%	October 1, 1977	3,400,000
9%	October 1, 1978	3,400,000
9%	October 1, 1979	3,400,000
9%	October 1, 1980	3,400,000
9 <sup>1</sup> / <sub>8</sub> %	October 1, 1981	47,600,000

(c) The payment by the Bank of Canada of \$1,734,967 of Industrial Development Bank cheques outstanding at September 30, 1975 which were presented for payment on October 1, 1975.

(d) The redemption on maturity of debentures having a face value of \$44,200,000.

(e) The payment of \$20,476,250 representing interest due October 1, 1975 on debentures held by the Bank of Canada.

In preparation for the transfer of the assets, liabilities and operations of the Bank to the Federal Business Development Bank as at the close of business on October 1, 1975, no entries other than the above were made in the Bank's books of account on that day. It was not considered necessary to make for that one day accruals for revenues and expenses since these were not considered to be of significance in relation to the financial position of the Bank.

2. Amounts not disbursed at October 1, 1975 on loans and investments authorized were approximately \$135,000,000 (\$135,000,000 at September 30, 1975).

3. Debentures issued to and held by the Bank of Canada at October 1, 1975 were as follows:

Rate %	Maturities by fiscal year (in thousands of dollars)							Total
	1976	1977	1978	1979	1980	1981	1982	
5-5 <sup>7</sup> / <sub>8</sub> %	\$ 2,200	—	—	—	—	—	—	\$ 2,200
6-6 <sup>7</sup> / <sub>8</sub> %	19,400	47,700	51,000	—	—	—	—	118,100
7-7 <sup>7</sup> / <sub>8</sub> %	33,100	67,800	81,600	113,300	56,500	83,200	—	435,500
8-8 <sup>7</sup> / <sub>8</sub> %	41,800	36,100	15,400	35,800	74,600	39,800	—	243,500
9-9 <sup>7</sup> / <sub>8</sub> %	25,400	19,000	22,400	22,300	44,900	46,900	47,600	228,500
	<u>\$121,900</u>	<u>170,600</u>	<u>170,400</u>	<u>171,400</u>	<u>176,000</u>	<u>169,900</u>	<u>47,600</u>	<u>\$1,027,800</u>



Welding steel





## Officers

President .....	G. K. Bouey	
Chief General Manager .....	E. R. Clark .....	Montreal
General Manager, Loans .....	H. J. Russell .....	Montreal
General Manager, Administration .....	G. Bourbonnière .....	Montreal
General Manager, Branch Operations .....	E. A. Bell .....	Montreal
General Manager, Corporate Development .....	J. E. Nordin .....	Montreal
General Manager, Atlantic Region .....	I. D. MacLaren .....	Halifax
General Manager, Quebec Region .....	J. Y. Milette .....	Montreal
General Manager, Ontario Region .....	K. A. Powers .....	Toronto
General Manager, Prairie and Northern Region .....	R. H. Wheeler .....	Winnipeg
General Manager, British Columbia Region .....	J. E. Millard .....	Vancouver
Secretary .....	P. F. Limoges .....	Montreal
Auditor .....	D. A. Thompson .....	Ottawa
Deputy Auditor .....	R. G. Forsythe .....	Montreal
Assistant Auditor .....	N. Robinson .....	Montreal

### Chief General Manager's Office, Montreal

Credit Department	
<i>Superintendent:</i> J. B. S. Oldaker	
<i>Assistant Superintendent:</i> R. F. Harriman	
Controller's Department	
<i>Controller:</i> R. L. McLean	
<i>Assistant Controllers:</i> G. D. Cain, A. Thisdel	
<i>Senior Accounting Assistant:</i> Miss J. Julien	
Methods and Procedures	
<i>Superintendent:</i> C. R. T. Bingley	
Management Services	
<i>Director:</i> E. C. Scott	
<i>Assistant Directors:</i> R. Bilodeau, J. P. Roberts	
Insurance Department	
<i>Superintendent:</i> K. J. H. Pasqual	
<i>Assistant Superintendent:</i> H. Montbriand	
<i>Senior Insurance Officer:</i> N. Cahill	
Research Department, Ottawa	
<i>Director:</i> L. E. Barclay	
<i>Assistant Director:</i> T. J. Dettman	
Data Processing Systems	
<i>Manager:</i> R. A. Fauvel	
<i>Assistant Managers:</i> A. Gheriani, J. R. Jacob	
Office Services	
<i>Manager:</i> G. R. d'Artois	

Personnel Department	
<i>Superintendent:</i> C. L'Espérance	
<i>Assistant Superintendents:</i> W. Forman, R. J. Lafond	
<i>Training Director:</i> J. T. D. Mulqueen	
<i>Personnel Officers:</i> D. L. Lockerby, M. Naggar, Mrs. G. D. Schneider	
Legal Department	
<i>General Solicitor:</i> D. R. Urquhart	
<i>Associate General Solicitor:</i> Guy Bousquet, o.c.	
<i>Senior Solicitor:</i> C. G. M. Winslow	
Planning and Supply	
<i>Superintendent:</i> P. M. Bourassa	
<i>Assistant Superintendent:</i> R. R. Ritchie	
Loan Investigation Department	
<i>Chief Engineer:</i> A. Mackie	
Corporate Development	
<i>Special Assistant:</i> H. P. Carmichael	
Branch Operations Department	
<i>Inspectors:</i> M. Dépot, J. A. Sutherland	
Economics and Statistics Department	
<i>Economist:</i> Miss S. Moreau	
Information	
<i>Information Officer:</i> J. W. Sivers	
Records	
<i>Manager:</i> Miss H. Shantz	
Translation	
<i>Manager:</i> R. W. Gosselin	

## Atlantic Region

While the total amount loaned by the Bank to businesses in the Atlantic Provinces in fiscal year 1975 declined slightly from the level in fiscal 1974, the number of loans approved increased by 18%. Loans authorized were as follows:

Type of business	Loan Approvals			
	Fiscal 1974		Fiscal 1975	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	101	\$ 5,959	87	\$ 4,107
Wholesale & retail trade	367	10,600	468	11,497
Tourist industry	217	8,335	214	6,833
Agriculture	10	246	7	245
Construction	42	1,488	73	2,104
Transportation and storage	18	997	29	1,165
Other	113	4,197	148	5,620
	<u>868</u>	<u>\$31,822</u>	<u>1,026</u>	<u>\$31,571</u>

During the year, offices were opened in Fredericton and Truro. There are now nine branches in the Atlantic region.



Canoe manufacturing

## Officers (continued)

**Atlantic Regional Office:** ..... 1583 Hollis Street, Halifax

*General Manager:* I. D. MacLaren

*Supervisor:* J. G. Kenna

*Assistant Supervisor:* J. P. Michaud

*Regional Engineer:* D. M. Baker      *Regional Director of Management Services:* M. F. Clooney

*Regional Solicitor:* G. P. Bauchman      *Administration Officer:* T. F. Clahane

### Branches:

St. John's	<i>Manager:</i> G. W. Kyte <i>Assistant Manager:</i> K. E. S. Mercer	Viking Bldg., Crosbie Road
Corner Brook	<i>Manager:</i> J. B. Lane	Corner Brook Plaza, Trans Canada Highway
Halifax	<i>Manager:</i> R. M. Williams <i>Assistant Manager:</i> F. D. Parsons	Trade Mart, 2021 Brunswick Street
Sydney	<i>Manager:</i> D. G. Fitzgerald	48-50 Dorchester Street
Truro	<i>Manager:</i> E. K. Harding	CN Commercial Centre, 34 Esplanade Street
Saint John	<i>Manager:</i> J. H. Miller	75 Prince William Street
Fredericton	<i>Manager:</i> A. Highet <i>Assistant Manager:</i> T. A. Gallant	Kings Place Complex, King Street
Moncton	<i>Manager:</i> J. A. Boudreau <i>Assistant Manager:</i> D. G. Fulton	860 Main Street
Charlottetown	<i>Manager:</i> M. J. Walsh	51 University Avenue

## Quebec Region

Loans approved during fiscal 1975 for businesses in Quebec declined by 12% in number and 18% in amount, compared with the previous fiscal year. Loan approvals in Quebec were as follows:

Type of business	Loan Approvals			
	Fiscal 1974		Fiscal 1975	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	488	\$31,925	423	\$25,752
Wholesale and retail trade	495	19,291	406	14,528
Tourist industry	367	19,936	327	17,103
Agriculture	31	1,936	25	1,368
Construction	74	3,153	68	2,794
Transportation and storage	30	1,466	39	2,256
Other	167	7,994	171	6,690
	<u>1,652</u>	<u>\$85,701</u>	<u>1,459</u>	<u>\$70,491</u>

During the year, offices were opened in Lévis, Drummondville and Valleyfield, bringing the total number of branches in Quebec to 18.



Bank display at an exhibition

## Officers (continued)

**Quebec Regional Office:** ..... 800 Victoria Square, Montreal

*General Manager:* J. Y. Milette

*Supervisor, Quebec District:* J. Lagacé

*Supervisor, Montreal District:* R. T. Mactavish

*Assistant Supervisors:* J. Y. Bernier, P. H. Johnson

*Regional Engineer:* R. Bernaquez

*Regional Director of Management Services:* G. W. Mador

*Regional Solicitor:* R. Gauthier

*Assistant Regional Solicitor:* A. Bahary

*Regional Training Officer:* M. D. Lègaré

*Administration Officer:* J. P. Dubeau

### Branches:

Sept-Îles	<i>Manager:</i> C. Tellier	690 Laure Boulevard
Rimouski	<i>Manager:</i> J. G. Germain <i>Assistant Manager:</i> D. Blouin	320 St. Germain Street, East
Chicoutimi	<i>Manager:</i> J. R. Leahey	475 des Champs Élysées Street
Quebec	<i>Manager:</i> P. G. Malépart <i>Assistant Managers:</i> F. Roy, M. St-Pierre	925 Chemin St. Louis
Lévis	<i>Manager:</i> J. D. Casavant	113 St-Georges Street, West
Trois-Rivières	<i>Manager:</i> R. Pépin	550 Bonaventure Street
Drummondville	<i>Manager:</i> L. Provencher	228 Hériot Street
Sherbrooke	<i>Manager:</i> R. Trudeau	1845 King Street, West
Granby	<i>Manager:</i> R. Bergeron	161 rue Principale
Longueuil	<i>Manager:</i> J. C. Martin	101 Place Charles Lemoyne
Valleyfield	<i>Manager:</i> G. P. Brunelle	85 Champlain Street
Montreal	<i>Manager:</i> J. R. Leduc <i>Assistant Managers:</i> J. J. Husny, P. West	800 Victoria Square
Sub-branch to Montreal		Place Frontenac, 2600 Ontario Street, East
St. Laurent	<i>Manager:</i> B. Hryniowski <i>Assistant Manager:</i> C. M. Létourneau	750 Laurentien Boulevard
St. Léonard	<i>Manager:</i> J. M. Boucher <i>Assistant Manager:</i> S. Y. Joubert	5960 Jean Talon Street, East
St. Jérôme	<i>Manager:</i> M. Bourret	Galeries des Laurentides, St. Antoine des Laurentides
Rouyn-Noranda	<i>Manager:</i> J. Lemay	160 Mgr Tessier Street, West, Rouyn
Hull	<i>Manager:</i> J. A. Dugas	295 St. Joseph Boulevard



## Ontario Region

The total amount of IDB loans to businesses in Ontario approved during fiscal 1975 declined by 7%, but the number of loans increased by 5% as against the previous fiscal year. The record of lending in Ontario was as follows:

Type of business	Loan Approvals			
	Fiscal 1974		Fiscal 1975	
	No.	Amount (\$'000)	No.	Amount (\$'000)
Manufacturing	544	\$ 26,614	545	\$ 22,139
Wholesale and retail trade	720	25,891	828	28,970
Tourist industry	454	26,355	436	20,438
Agriculture	156	7,466	125	6,062
Construction	131	5,177	155	5,481
Transportation and storage	63	3,000	58	2,475
Other	323	16,347	360	16,746
	<u>2,391</u>	<u>\$110,850</u>	<u>2,507</u>	<u>\$102,311</u>

During the year, the Scarborough and Etobicoke offices were opened and there are now 23 offices in Ontario.



Trimming veneer doors

## Officers (continued)

**Ontario Regional Office:** ..... 250 University Avenue, Toronto

*General Manager:* K. A. Powers

*Supervisor:* K. K. Hay-Roe      *Assistant Supervisor:* J. T. Horne

*Regional Engineer:* C. H. Cleghorn      *Regional Director of Management Services:* B. B. Baron

*Regional Legal Officer:* B. K. Grafen      *Regional Training Officer:* J. D. Carruthers

*Administration Officer:* R. J. Collins

### Branches:

Ottawa	<i>Manager:</i> J. R. Bernard <i>Assistant Manager:</i> L. E. McArdle	151 Sparks Street
Kingston	<i>Manager:</i> J. A. Clinton	797 Princess Street
Oshawa	<i>Manager:</i> K. W. Bolam <i>Assistant Manager:</i> W. S. Beatty	22 King Street, West
Scarborough	<i>Manager:</i> J. I. Hamilton	2978 Eglinton Avenue, East
Toronto	<i>Manager:</i> J. G. Wilson <i>Assistant Managers:</i> C. A. Graham, L. P. Hancey	250 University Avenue
Toronto-North	<i>Manager:</i> W. Y. Torrance <i>Assistant Manager:</i> E. D. McCrindell	4430 Bathurst Street, Downsview
Etobicoke	<i>Manager:</i> E. Wilk	Valhalla Executive Centre, 302 The East Mall, Islington
Barrie	<i>Manager:</i> I. A. Smith <i>Assistant Manager:</i> W. Stooft	70 Collier Street
Oakville	<i>Manager:</i> R. V. Crank <i>Assistant Manager:</i> J. F. Parnell	345 Lakeshore Road, East
Hamilton	<i>Manager:</i> J. R. Sugden <i>Assistant Manager:</i> A. C. Giggins	20 Hughson Street, South
St. Catharines	<i>Manager:</i> R. J. Kenny	205 King Street
Kitchener-Waterloo	<i>Manager:</i> D. C. Sedgwick <i>Assistant Manager:</i> M. W. Gallow	305 King Street West, Kitchener
Owen Sound	<i>Manager:</i> G. J. Marshall	1139 Second Avenue, East
London	<i>Manager:</i> C. B. Ready <i>Assistant Manager:</i> H. G. Basler	197 York Street
Woodstock	Sub-branch to London	430 Dundas Street
Stratford	<i>Manager:</i> K. R. Elliott	1036 Ontario Street
Chatham	<i>Manager:</i> R. A. Lewis	59 Adelaide Street, South
Windsor	<i>Manager:</i> M. A. Renfrew <i>Assistant Manager:</i> K. D. Brodthagen	500 Ouellette Avenue
<b>Northern Ontario District Office:</b> .....		Station Tower, 421 Bay Street, Sault Ste. Marie
<i>Supervisor:</i> W. H. Jay <i>Assistant Supervisor:</i> Miss R. W. Jesshope		
Sudbury	<i>Manager:</i> R. J. Clinchy <i>Assistant Manager:</i> R. M. Jack	96 Larch Street
Timmins	<i>Manager:</i> F. T. Watters	83 Algonquin Blvd., West
Sault Ste. Marie	<i>Manager:</i> K. G. Hopper	452 Albert Street, East
Thunder Bay	<i>Manager:</i> R. L. Frizell <i>Assistant Manager:</i> G. F. Dickson	106 Centennial Square
Kenora	<i>Manager:</i> L. C. Holmstrom	20 Main Street, South

## Prairie and Northern Region

In fiscal 1975, the number of IDB loans approved in the Prairie and Northern region of the Bank was down 12% in number and 15% in amount from the record levels of the previous fiscal year. IDB lending in the region was as follows:

Type of business	Loan Approvals			
	Fiscal 1974		Fiscal 1975	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	203	\$10,435	188	\$ 9,296
Wholesale and retail trade	440	16,365	438	16,654
Tourist industry	235	15,590	202	13,959
Agriculture	344	14,777	213	8,635
Construction	94	3,114	102	4,101
Transportation and storage	58	2,908	62	2,792
Other	268	12,746	245	8,848
	1,642	\$75,935	1,450	\$64,285

The St. Boniface and Prince Albert offices were opened in the year and there are now 15 offices to serve the region.



Truck body fabrication

## Officers (continued)

**Prairie and Northern Regional Office:** ..... 161 Portage Avenue, Winnipeg

*General Manager:* R. H. Wheeler

*Supervisor:* D. A. Kerley

*Assistant Supervisors:* D. S. Brown, M. D. Rudkin

*Regional Engineer:* D. G. McCrae      *Regional Director of Management Services:* C. V. Spielman

*Regional Solicitor:* H. K. Olson      *Regional Training Officer:* R. J. McGregor

*Administration Officer:* H. D. Ramsey

### Branches:

Winnipeg	<i>Manager:</i> J. O. Skerry <i>Assistant Manager:</i> B. M. Massier	161 Portage Avenue
St. Boniface	<i>Manager:</i> A. de Laforest	161 Portage Avenue, Winnipeg
Brandon	<i>Manager:</i> J. W. Feindel	136-11th Street
Regina	<i>Manager:</i> G. J. Hiltz <i>Assistant Manager:</i> M. Fostyk	2220-12th Avenue
Saskatoon	<i>Manager:</i> D. K. Wiggins <i>Assistant Manager:</i> M. J. Valentini	1102 CN Towers, Midtown Plaza
Prince Albert	<i>Manager:</i> T. W. Tucker	34-10th Street, West
Lethbridge	<i>Manager:</i> J. E. Evans <i>Assistant Manager:</i> J. M. Davis	740-4th Avenue, South
Calgary	<i>Manager:</i> K. R. Miller <i>Assistant Managers:</i> N. L. Crowe, K. T. James	404 Sixth Avenue, S.W.
Calgary South	<i>Manager:</i> J. W. Melymick	5940 Macleod Trail, S.W., Calgary
Red Deer	<i>Manager:</i> W. L. Hutton <i>Assistant Manager:</i> B. A. Johnson	4909 Gaetz Avenue
Edmonton	<i>Manager:</i> M. T. Collins <i>Assistant Managers:</i> J. W. D. Courchene, R. L. Gibson	10150-100th Street
Edmonton South	<i>Manager:</i> L. A. Zachary <i>Assistant Manager:</i> H. H. Dashevsky	11044-51st Avenue, Edmonton
Yellowknife	Sub-branch to Edmonton	5010-50th Avenue
Grande Prairie	<i>Manager:</i> R. C. Allison <i>Assistant Managers:</i> G. E. Bacon, W. Schmidt	10104-101 Avenue
Whitehorse	Sub-branch to Grande Prairie	Travelodge Commercial Mall

# British Columbia Region

IDB loans approved in British Columbia during fiscal 1975 declined by 4% in number and 19% in amount as against fiscal 1974. Loan approvals in the province were as follows:

Type of business	Loan Approvals			
	Fiscal 1974		Fiscal 1975	
	No.	Amount (\$000)	No.	Amount (\$000)
Manufacturing	353	\$24,959	396	\$ 17,442
Wholesale and retail trade	854	39,504	850	30,477
Tourist industry	603	35,801	535	29,080
Agriculture	303	14,391	269	12,064
Construction	180	6,787	163	5,759
Transportation and storage	111	8,315	137	5,647
Other	755	35,956	669	32,277
	<u>3,159</u>	<u>\$165,713</u>	<u>3,019</u>	<u>\$132,746</u>



Underwater communication system

# Officers (continued)

**British Columbia Regional Office:** .....900 West Hastings Street, Vancouver

*General Manager:* J. E. Millard

*Supervisors:* O. H. Morgan, L. F. Smith\*

*Assistant Supervisors:* H. W. Baker, R. B. Thomas

*Regional Engineer:* G. B. G. Ross

*Assistant Regional Engineer:* L. H. Lieberman

*Regional Solicitor:* T. A. James

*Assistant Regional Solicitor:* W. J. Birney

*Regional Director of  
Management Services:*  
R. P. Dohan

*Administration Officer:* R. E. McMurray

## Branches:

Cranbrook	<i>Manager:</i> R. M. Leite <i>Assistant Manager:</i> D. W. Forsyth	30 South 11th Avenue
Kelowna	<i>Manager:</i> T. F. Ching <i>Assistant Manager:</i> R. S. Keyes	260 Harvey Avenue
Kamloops	<i>Manager:</i> M. G. H. O'Reilly <i>Assistant Manager:</i> D. H. Van Dusen	235 First Avenue
Prince George	<i>Manager:</i> E. T. Brignall <i>Assistant Managers:</i> T. W. Graham, G. S. Spence	1320 Fifth Avenue
Terrace	<i>Manager:</i> M. Kartasheff <i>Assistant Manager:</i> T. R. King	4548 Lakelse Avenue
Chilliwack	<i>Manager:</i> M. Gumphrich <i>Assistant Manager:</i> R. G. Newman	Kamar Plaza, 45850 Yale Road, West 33827 South Fraser Way
Abbotsford	Sub-branch to Chilliwack	765-6th Street
New Westminster	<i>Manager:</i> E. A. Duddle <i>Assistant Managers:</i> E. J. Popil, N. L. Smith	
Burnaby	<i>Manager:</i> G. C. Hamilton <i>Assistant Manager:</i> R. A. Paugh	4240 Manor Street
Richmond	<i>Manager:</i> T. G. Gilmour <i>Assistant Manager:</i> H. E. Boynton	375-B Shell Road
Vancouver	<i>Manager:</i> K. E. Neilson <i>Assistant Managers:</i> J. Penman, F. A. Reiter	885 Dunsmuir Street
North Vancouver	<i>Manager:</i> D. M. Carter <i>Assistant Manager:</i> B. Kohl	145 West 15th Street
Victoria	<i>Manager:</i> G. Kirkwood <i>Assistant Managers:</i> R. W. Johnson, D. F. Watkins	850 Fort Street
Nanaimo	<i>Manager:</i> H. C. Tomasson <i>Assistant Manager:</i> T. H. Measham	190 Wallace Street
Campbell River	<i>Manager:</i> K. E. Phillips <i>Assistant Manager:</i> B. H. Willett	906 Island Highway

\* Deceased October 24, 1975.





## Summary of operations 1944-197

Fiscal years ended September 30

### LOANS AND INVESTMENTS

Authorized during period .....	
<i>Less:</i> cancellations and reductions .....	
Net authorizations .....	
Disbursements .....	
<i>Less:</i> repayments and write-offs of principal .....	
Increase in amounts outstanding .....	

### INCOME AND EXPENSES

Income from loans and investments (interest and dividends) .....	
Other income .....	
Total income .....	
Operating expenses .....	
Salaries and other staff expenses .....	
Other .....	
Total operating expenses .....	
Cost of debentures .....	
Net income before allowance for doubtful accounts .....	
Allowance for doubtful accounts .....	
Transferred to reserve fund .....	

### WRITE-OFFS

Bad debts written off, net .....	
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### YEAR-END BALANCE SHEET

Loans and investments, including agreements for sale .....	
<i>Less:</i> allowance for doubtful accounts .....	
All other assets .....	
Total assets .....	
Capital, issued and paid up .....	
Reserve fund .....	
Debentures outstanding .....	
All other liabilities .....	
Total liabilities .....	

(thousands of dollars)

November 1944 to 1967	1968	1969	1970	1971	1972	1973	1974	1975	Cumulative Total
965,050	120,297	153,440	164,628	195,980	262,412	345,285	470,384	401,912	3,079,388
130,420	12,171	16,353	16,089	36,409	33,621	40,714	53,818	60,079	399,674
834,630	108,126	137,087	148,539	159,571	228,791	304,571	416,566	341,833	2,679,714
779,593	105,466	122,376	150,961	156,168	193,997	275,091	404,938	356,741	2,545,331
446,052	69,721	74,596	81,696	100,397	125,892	154,008	151,826	169,072	1,373,460
333,541	35,745	47,780	69,265	55,771	68,105	121,083	253,112	187,669	1,171,871
136,302	26,396	30,575	38,257	47,505	55,103	64,560	84,402	113,597	596,697
6,361	659	535	619	1,237	1,514	2,523	1,915	1,880	17,243
142,663	27,055	31,110	38,876	48,742	56,617	67,083	86,317	115,477	613,940
35,164	5,916	6,762	7,618	8,881	10,826	13,112	17,763	21,721	127,763
12,096	1,910	2,104	2,559	2,994	3,877	5,007	6,486	8,253	45,286
47,260	7,826	8,866	10,177	11,875	14,703	18,119	24,249	29,974	173,049
65,010	16,478	20,107	26,102	30,730	33,933	40,278	54,846	73,425	360,909
30,393	2,751	2,137	2,597	6,137	7,981	8,686	7,222	12,078	79,982
10,801	1,976	1,764	2,097	4,158	4,369	4,887	4,559	7,631	42,242
19,592	775	373	500	1,979	3,612	3,799	2,663	4,447	37,740
3,302	726	1,264	847	758	1,269	1,387	2,260	3,631	15,444
371,350	419,232	487,486	543,147	611,505	733,611	987,345	1,175,234		
-8,750	-9,250	-10,500	-13,900	-17,000	-20,500	-22,800	-26,800		
7,597	3,773	10,467	14,522	14,717	16,264	16,220	22,378		
370,197	413,755	487,453	543,769	609,222	729,375	980,765	1,170,812		
47,000	51,000	53,000	55,000	58,000	62,000	71,000	78,000		
20,367	20,740	21,240	23,219	26,831	30,630	33,293	37,740		
293,600	331,500	394,100	445,500	501,700	605,900	837,300	1,007,300		
9,230	10,515	19,113	20,050	22,691	30,845	39,172	47,772		
370,197	413,755	487,453	543,769	609,222	729,375	980,765	1,170,812		











